

LIBRARY
SUPREME COURT, U.S.

TRANSCRIPT OF RECORD

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1952

No. 512

SECURITIES AND EXCHANGE COMMISSION,
PETITIONER.

VS.

RALSTON PURINA COMPANY

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF
APPEALS FOR THE EIGHTH CIRCUIT

PETITION FOR CERTIORARI FILED DECEMBER 22, 1952

CERTIORARI GRANTED MARCH 9, 1953

In the United States Court of Appeals for the Eighth Circuit

No. 14611

Civil

SECURITIES AND EXCHANGE COMMISSION,

~~PETITIONER~~ *Appellant*

v.

RALSTON PURINA COMPANY, ~~RESPONDENT~~

appellee

INDEX

	Page
Complaint	1
Preliminary injunction	2
Answer	4
Stipulation and order on pretrial conference of November 27, 1951, as amended January 9, 1952	8
Exhibit A, number of shares sold in over-the-counter market	11
Exhibit B, employees who purchased stock as of October 1, 1947	11
Exhibit C, employees who purchased stock as of October 30, 1948	18
Exhibit D, employees who purchased stock as of October 3, 1949	19
Exhibit E, employees who purchased stock as of September 22, 1950	29
Exhibit F, employees who sought to purchase stock during September and October 1951	39
Exhibit G, sales of special stock as of October 1, 1947	44
Exhibit H, sales of special stock as of September 30, 1948	44
Exhibit I, sales of special stock as of October 3, 1949	45
Exhibit J, sales of special stock as of September 22, 1950	45
Exhibit K, copy of resolution dated September 11, 1951, authorizing defendant's officers to sell stock to employees	45
Tabulation of salary range of defendant's employees	46
Opinion	46
Judgment	54
Motion for restoration of preliminary injunction pending appeal	55
Stipulation of parties not to sell securities pending appeal	55
Order denying motion for restoration of preliminary injunction pending appeal	56
Transcript of testimony	56
Lewis Stuart for defendant	57
Defendant's Exhibit L, notice to branch and store managers regarding availability of stock	66
Defendant's Exhibit M, representative annual statement of Ralston Purina Co.	67
Plaintiff's Exhibit A through K, correspondence between plaintiff and defendant concerning defendant's offering of stock made in September 1951	72
Plaintiff's Exhibit L, news item from Wall Street Journal of August 5, 1951	82
Notice of appeal	83
Statement of points to be relied on	83
List of relevant docket entries	84

Proceedings in the U. S. C. A. for the Eighth Circuit.....	87
Appearances.....	87
Argument, and submission.....	87
Opinion, Sanborn, J.....	88
Judgment.....	100
Stipulation in lieu of stay of mandate.....	100
Clerk's certificate.....	101
Order allowing certiorari.....	103

In the District Court of the United States for the Eastern District of Missouri, Eastern Division

Civil Action File No. 8212

SECURITIES AND EXCHANGE COMMISSION, PLAINTIFF

v.

RALSTON PURINA COMPANY, A MISSOURI CORPORATION,
DEFENDANT

Complaint

1. It appears to the plaintiff that the defendant is engaged and is about to engage in acts and practices which constitute and will constitute violations of Section 5 (a) of the Securities Act of 1933 (15 U. S. C. 77e (a)); and the plaintiff, pursuant to Section 20 (b) of said Act (15 U. S. C. 77t (b)), brings this action to enjoin such acts and practices.

2. This action arises under Section 22 (a) of the Securities Act of 1933 (15 U. S. C. 77v (a)) as hereinafter more fully appears.

3. Since on or about October 1, 1947, the defendant has been and is now selling securities, namely \$25.00 par value common stock of Ralston Purina Company, and in the sale of such securities has been and is now, directly and indirectly, using the mails and the means and instruments of transportation and communication in interstate commerce, and has been carrying and causing to be carried, and is about to carry and cause to be carried, such securities through the mails and in interstate commerce, by means and instruments of transportation, for the purpose of sale and delivery after sale.

4. No registration statement with respect to such securities is in effect with the Securities and Exchange Commission.

5. The defendant will, unless enjoined, continue to engage in the acts and practices set forth in this complaint.

Wherefore, the plaintiff demands a temporary restraining order, a preliminary injunction, and a final judgment enjoining the defendant, its agents, servants, employees, attorneys and assigns, and each of them, from directly or indirectly:

(a) making use of any means or instruments of transportation or communication in interstate commerce, or of the mails,

to sell \$25.00 par value common stock of Ralston Purina Company, or any other securities, through the use or medium of any prospectus or otherwise;

(b) carrying such securities or causing them to be carried through the mails or in interstate commerce by any means or instruments of transportation for the purpose of sale or delivery after sale;

unless and until a registration statement is in effect with the Securities and Exchange Commission as to such securities; provided that the foregoing shall not apply to any security or transaction which is exempt from the provisions of Section 5 of the Securities Act of 1933, as amended.

THOMAS B. HART,

LOUIS LOSS,

ALEXANDER J. BROWN, Jr.,

ROBERT J. SUGRUE,

*Attorneys for the Securities and Exchange Commission,
105 West Adams Street,
Chicago, Illinois.*

GEORGE L. ROBERTSON,

United States Attorney,

402 New Federal Building, St. Louis, Missouri.

Local counsel for the purpose of service of notices in the above entitled cause.

STATE OF ILLINOIS,

County of Cook, ss:

Robert J. Sugrue, being duly sworn, deposes and says that he is an attorney for the Securities and Exchange Commission, plaintiff in the foregoing action, that he has read the complaint and that to the best of his knowledge, information and belief there is good ground to support the allegations therein.

ROBERT J. SUGRUE.

Subscribed and sworn to before me this 23d day of October 1951.

Notary Public.

My commission expires

[CAPTION]

Preliminary injunction

It appearing to the satisfaction of the Court on the verified complaint and supporting affidavit filed herein that the plain-

tiff is entitled to an order restraining the defendant from selling securities in violation of Section 5 (a) of the Securities Act of 1933, as amended (15 U. S. C. 77e (a)); and

It further appearing that the defendant, in the sale of its \$25.00 par value common stock to its employees pursuant to a resolution of its board of directors adopted on September 11, 1951, will unless restrained by order of this Court, make use of means or instruments of transportation of communication in interstate commerce, or of the mails, in violation of Section 5 (a) of the Securities Act of 1933; and

It further appearing that the defendant will, unless restrained by order of this Court, carry said securities or cause them to be carried through the mails or in interstate commerce by means or instruments of transportation for the purpose of said sale, or for delivery after said sale, in violation of Section 5 (a) of said Act; and

It further appearing that the defendant has waived notice of hearing and service of summons and has consented to the entry of a preliminary injunction herein; saving to defendant all rights to contest the issue on final hearing and waiving no rights in that respect;

It is hereby ordered that, pending hearing and a determination of plaintiff's demand for final judgment, the defendant, its agents, servants, employees, attorneys and assigns, and each of them, be and they are hereby enjoined from, directly or indirectly:

(1) Making use of any means or instruments of transportation or communication in interstate commerce, or of the mails, to sell \$25.00 par value common stock of Ralston Purina Company, or any other securities, to its employees, through the use or medium of any prospectus, or otherwise;

(2) Carrying such securities or causing them to be carried through the mails or in interstate commerce by any means or instruments of transportation for the purpose of sale or delivery after sale to its employees;

unless and until a registration statement is in effect with the Securities and Exchange Commission as to such securities.

(S) RUBEY M. HULEN,

District Judge.

Entered October 24, 1951.

[CAPTION]

Answer

Defendant answering the Complaint herein states:

1. Denies that defendant is engaged or is about to engage in acts and practices which constituted or will constitute violations of Section 5 (a) of the Securities Act of 1933 as alleged in paragraph 1 of the Complaint.

2. Admits that this action arises under Section 22 (a) of the Securities Act of 1933 as alleged in paragraph 2 of the Complaint.

3. Answering paragraph 3 of the Complaint, defendant denies that since on or about October 1, 1947, defendant has been or is now offering for sale or selling securities, namely \$25 par value common stock of Ralston Purina Company, except this defendant states that it has been offering for sale and selling such stock but only to the extent, under the circumstances and in the manner hereinafter set forth. Further answering paragraph 3, defendant states that in September or October of the calendar years 1947, 1948, 1949, and 1950 defendant offered for sale and sold to a limited number of selected key employees, who had been advised that Ralston Purina Company authorized but unissued common stock would be made available by the Company for purchase by them, and who requested the sale of such stock to them by defendant, and that pursuant to such request said common stock was sold to such key employees, and that certain of such offers for sale or sales to such employees were made by use of the mails and otherwise in interstate commerce.

4. Admits the allegations of paragraph 4 of the Complaint.

5. Further answering, defendant states that it has a nationwide distribution of its products and that to facilitate such distribution operates a large number of mills, cereal plants, soybean processing plants, sanitation and farm supply distribution centers, warehouses, sales offices and stores all over the United States; that it has a large number of various departments and that the operation of its business is, so far as possible, decentralized so that the various operating units throughout the country have the responsibility for the conduct of their individual operation and that defendant has in the past five years very substantially increased the number and size of its plants of various types and the dollar volume of its business.

6. That for almost fifty years past, defendant has pursued the policy of selecting its employees for promotion from within its own organization and to that end has made every effort to

develop the capacities and potentialities of such employees and to hold out incentives to such employees for the purpose of stimulating and maintaining their interest and effectiveness in the successful operation of the company's various plants and facilities.

7. That for at least a quarter of a century in pursuance of the policies just hereinabove mentioned, defendant has from time to time made stock available for purchase by its key employees in order to effectively carry out its program as above outlined; that in selecting such employees to whom such stock would be made available, various executive officers of the company have from time to time conferred with the top men in the various branches of all kinds mentioned above for the purpose of carefully selecting persons in order to make such stock available in comparatively limited quantities to employees who had special capacities and special responsibilities to the end that such employees would become stockholders of the company or might purchase additional stock therein and that it has never at any time either made any general offering or made stock available to all employees, but limited it strictly in the manner hereinabove set forth; that the company was at all said times unwilling to sell or offer to sell the company's stock at the prices fixed from time to time to any person, firm or corporation other than such carefully selected employees, and was not willing and has not sold or offered to sell said stock to any persons other than such selected employees.

8. That defendant believes that it is for the best interests of the company that its key employees be owners of common stock of the company; that such ownership stimulates and rewards their efforts to increase the prosperity of the company, makes them more valuable employees, creates increased efficiency, develops potential executives and makes it less likely that they will leave the employ of the company to accept positions with its competitors.

9. That defendant in the years 1947, 1948, 1949, 1950, and 1951 paid substantial cash bonuses to its employees at the end of its fiscal year in September of each year and that such bonuses were paid principally to those certain key employees to whom such stock was offered and that many of such employees were, in each of such years when they received such bonuses, anxious to acquire additional common stock of the company; that the company's common stock was and is not listed on any stock exchange, but on the contrary, is dealt in only in the over-the-counter market and in limited quantities. That the supply of the company's common stock available for purchase in said market in September and October of each of the years

1947 to 1951 inclusive was entirely insufficient to satisfy the reasonably anticipated demands of the company's employees to purchase such common stock of the company without thereby causing, by the competitive bidding of such employees, an artificial and unjustified increase in the market price of such stock unless stock in the company was made available for purchase by them without competitive bidding and therefore thereby artificially running up the price of such stock.

10. That in September and October of 1951 the company had 6,850 employees and that less than 500 of its employees were advised that such stock might be made available for purchase by them. That at said time, a notice which was the same or substantially the same as that just hereinafter set out, was given to every branch manager, every sales manager and every store manager where any key employees had evidenced any interest in purchasing stock of defendant company and that, through such managers and orally and in other ways, substantially all employees who had indicated any interest in purchasing such stock were advised of said notice. Said notice read as follows:

"The Company is unwilling to take the responsibility, in essence, of guaranteeing or forecasting that the price of Purina stock is going up or will remain at its present price for the next twelve months or so. Consequently the Company is making no recommendation that employees purchase at current prices.

"The Company, however, is willing to try to protect employees against a market rise in the price of the stock resulting from temporary competitive bidding by employees. To do this the Company will make available for a limited time some authorized but unissued stock at \$80 a share. The only employees to whom this stock will be available will be those who take the initiative and are interested in buying stock at present market prices.

"If stock can be purchased on the open market at a price lower than \$80 a share, the employee will of course buy at the lower price."

(Discussed at 9/14/51 Executive Committee meeting at which time all officers present were given a copy of this memo. Copy sent to other officers.)

That 165 of such key employees did request an opportunity to purchase stock by them in varying amounts ranging from a minimum of one share to a maximum of two hundred shares, the total amount of such shares so being requested being about 3,500.

11. That defendant company since 1945 has printed and published an annual statement fully reflecting the company's

financial position and earnings; that copies of such financial statement were furnished to many banks, brokerage and investment houses, and were filed with the Securities and Exchange Commission and the New York Stock Exchange, where the preferred stock is listed, and was in general easily available. That by reason of stock having been made available to its key employees in 1947 and for more than twenty years prior thereto a great majority of its key employees are stockholders of the company; and that as regards the year 1951, approximately 75% of the persons to whom stock was made available and approximately 75% of those who applied to be allowed to purchase stock were stockholders of the company and had duly received the company's annual statements; that during the long period of years during which such stock has been offered to such key employees and purchased by them there has never been any complaint from any such purchaser in connection with his purchase of said stock.

12. That at or about the time that the selected key employees were advised of the availability of such stock in September or October 1951, the plaintiff objected to the defendant's proceeding with the sale of such stock to its employees on the alleged ground that such offer would constitute a public offering of the stock and therefore would require registration under Section 5 (a) of the Securities Act of 1933; and that defendant immediately advised plaintiff that it was and is now of the opinion that such offer for sale to such key employees in the manner and under the circumstances and conditions hereinabove set forth would not constitute a public offering within the meaning of Section 5 (a) of the Securities Act, but no sales were or have been consummated pending a determination of the right of this defendant to sell such stock to such key employees under the circumstances and in the manner hereinabove set forth.

13. And this defendant denies that the sale of said approximately 3,500 shares to said 163 key employees does or will constitute any public offering within the meaning and intent of Section 5 (a) of the Securities Act and therefore asks to be discharged with its costs.

1630 Boatmen's Bank Building,
St. Louis 2, Missouri,
Attorneys for Defendant.

BRYAN, CAVE, MCPHEETERS & McROBERTS,
Of Counsel.

[CAPTION]

Pretrial conference order

Date: November 27, 1951.

Before: Honorable Rubey M. Hulen, Judge.

At: St. Louis, Missouri (in chambers).

Appearances: For Plaintiff, Robert J. Sugrue, 105 West Adams Street, Chicago, Illinois. For Defendant, Thomas M. McPheeters, of Bryan, Cave, McPheeters & McRoberts, Boatmen's Bank Bldg., St. Louis, Missouri.

Stipulation

It is hereby stipulated and agreed:

1) That defendant will furnish to the reporter immediately a copy of the resolution of September 11, 1951, authorizing the sale of 10,000 shares of stock in the defendant company, as per its terms; that said resolution may be treated by either of the parties to this case as an original and used in the trial of the case, subject to objections as to materiality, without further identification.

2) Defendant admits use of the mails in offering 10,000 shares of stock above referred to (1), for the year 1951.

3) Defendant admits as to the 10,000 shares of stock referred to in paragraph (1), that same, in parts thereof, were offered to between 400 and 500 employees of the defendant company.

4) Defendant will prepare and supply to the reporter, on or before November 30, 1951, a typewritten tabulation showing the salary range of the employees purchasing stock of defendant for the years 1948, 1949, and 1950, and the salary range of those employees who have offered to purchase stock during the year 1951, and said tabulation will be subject to use by either party to this cause, to show the facts set forth, in place of original records; subject to correction, should any error be found, and subject only to objection as to materiality if offered at the trial, or in any other proceeding in this case.

5) In connection with the offering of stock by the defendant to employees, as to employees other than those whose names appear in the list of 165 names which has heretofore been given to the plaintiff by the defendant, the defendant represents and admits that it is unable to give a further complete list, for the reason that offering of stock to other employees was made orally and no record of the offering was kept.

6) Defendant represents and admits that it made offerings of stock to employees who did not purchase during the years

1948, 1949, and 1950, but defendant is unable to give the names of the employees to whom such stock offering was made and who did not make purchases, because no record of the offering as to such was kept by the defendant.

7) Attached to this pretrial memorandum is Exhibit A, as indicative and showing the number of shares of stock that were sold in the over-the-counter market during the years 1946 to 1951, inclusive, as evidenced by the transfer books which are kept by the defendant company; in connection with which it is stipulated, that the table shown in said exhibit is a fair illustration of the number of such sales, based on the assumption resulting from the revenue stamps attached to the certificates when offered for transfer, which defendant represents were in the required amount as in the case of a sale, with the note appearing on the exhibit included in such explanation; the month of September for the years shown being illustrative of the number of transfers representing ultimate sales, to wit:

	Shares
For the month of September 1947, sold to ultimate purchasers.....	737
For the month of September 1948, sold to ultimate purchasers.....	199
For the month of September 1949, sold to ultimate purchasers.....	267
For the month of September 1950, sold to ultimate purchasers.....	712
and	
For the month of September 1951, sold to ultimate purchasers.....	932

that the figures for the month of September, for the years 1947 to 1951, inclusive, as above set forth, are fairly representative of percentage of ultimate sales compared to transfers for the remainder of the months, for the years shown on said exhibit; all as evidenced by the transfer records of the defendant; that said Exhibit A may be used for the purpose of evidencing the facts above set forth by either of the parties hereto, without the production of further books and records of the company, subject to objection as to relevancy only.

8) There are attached hereto Exhibits B, C, D, E, and F; Exhibit B is a list of employees of the defendant who purchased stock of the company as of October 1, 1947, in the amounts shown on said list; Exhibit C being a similar list for the year 1948; Exhibit D being a similar list for the year 1949; Exhibit E being a similar list for the year 1950; and Exhibit F being a list of employees of the defendant company who have requested an opportunity to purchase stock in defendant company in September or October 1951; it is stipulated by the parties that said list and the information shown thereon may be used by either of the parties hereto, without further production of original records of identification, subject only to objections as to relevancy.

9) There are attached hereto Exhibits G, H, I, and J, showing sales and the reasons for sales of stock by employees of the defendant, to wit:

Exhibit G shows sales of stock purchased by employees in the year 1947 and sold by such purchasers in the year 1947 or subsequent thereto;

Exhibit H shows no sales of stock in the year 1948 or thereafter by employees who purchased stock in 1948;

Exhibit I shows sales of stock purchased by employees during 1949 and sold by such purchasers in the year 1949 or thereafter;

Exhibit J shows purchases of stock during the year 1950 and sales to date of such stock by such purchasers;

that said Exhibits G to J, inclusive, may be used by either of the parties hereto, without the production of further records or identification, subject to objection as to materiality.

10) That wherever the term "employee" or "employees" is used in this stipulation, defendant uses the term as referring to a character of employee of defendant that defendant designates as a key employee, and defendant may, at the trial of this case, offer testimony as to the meaning of "key employee", and subject to objection as to relevancy.

11) By agreement of counsel, this cause is reset for ten o'clock, Friday, December 28, 1951.

12) Copy of resolution referred to in paragraph 1) is hereto attached, as exhibit K, which resolution defendant admits was adopted on September 11, 1951, by its Board of Directors.

Certificate

I, Floyd A. Buchanan, do hereby certify that the preceding pages 1 through 6 are the pretrial order under Rule 16, F. R. C. P., made on November 27, 1951, in the cause as entitled and numbered on page 1 hereof.

Copies supplied to counsel for both parties.

Approved:

FLOYD A. BUCHANAN,
Official Court Reporter.

Judge.

PRETRIAL CONFERENCE EXHIBIT A

Number of shares sold in over-the-counter market

	1947	1948	1949	1950	1951
January	1,797	2,165	2,165	5,104	3,012
February	845	1,444	1,279	2,949	1,007
March	1,187	753	1,588	383	40,367
April	1,729	771	1,256	1,152	24,843
May	1,487	770	2,425	1,040	5,477
June	1,698	1,573	1,566	1,388	2,812
July	2,713	1,926	676	1,163	3,629
August	1,741	294	1,433	769	2,162
September	1,687	277	508	2,162	6,664
October	1,552	819	1,253	1,923	
November	521	2,385	575	1,523	
December	1,299	1,648	4,627	4,414	
Total	18,348	15,124	19,341	24,110	

NOTE.—In March 1951, the Woods Family sold 24,000 shares to a syndicate headed by Merrill Lynch Pierce Fenner & Bean, and the figures for March, April and May, show the effect of this purchase and the resale thereof by the syndicate members to their customers.

PRETRIAL CONFERENCE EXHIBIT B

List of key employees of Ralston Purina Company who purchased common stock of the Company at \$47.50 per share as of Oct. 1, 1947

Number of names	243
Number who were previously stockholders (77%)	187
Number of shares	6,984

Name of employee	Title or payroll classification	Location of employee (by plant, division or sales office)	Number of shares purchased	Stockholders (self or immediate family) at time of purchase (x)
ADVERTISING				
W. D. Bowte	Copywriter	St. Louis, Mo.	30	x
W. D. Brockman	Asst. Mgr., Feeder Finance Div.	St. Louis, Mo.	5	x
C. C. Fawcett	Mgr., Ad. Dept.	St. Louis, Mo.	10	x
W. P. Hays	Asst. Director of Advertising	St. Louis, Mo.	100	x
E. W. Kosfeld	Mgr., Dealer Advertising	St. Louis, Mo.	12	x
John McGinty	Mgr., Publications	St. Louis, Mo.	25	x
G. M. Philpott	Vice Pres. (Promotion)	St. Louis, Mo.	100	x
W. J. Riley	Supervising Copywriter	St. Louis, Mo.	30	x
BUYING				
V. B. Brannon	Asst. Mgr., Mill Supply	St. Louis, Mo.	10	x
John P. Brown	Asst. Mgr., Soybean Div.	St. Louis, Mo.	25	x
E. A. Gayce	Vice Pres. (Buying)	St. Louis, Mo.	75	x
R. B. Dean	Mgr., Grain Buying Div.	St. Louis, Mo.	30	x
W. E. DeKey	Mgr., Mill Supply	St. Louis, Mo.	30	x
L. M. Kishlar	Mgr., Special Products Div.	St. Louis, Mo.	75	x
P. C. Knowlton	Gen. Mgr., Checkerboard Elev. Co.	St. Louis, Mo.	50	x
W. A. Krause	Mgr., Pricing Div.	St. Louis, Mo.	25	x
W. C. Krieger	Purchasing Agent	St. Louis, Mo.	25	x
L. W. Lindhoffer	Gen. Purchasing Agent	St. Louis, Mo.	100	x
Grafton Lethrop	Mgr., Chow Depts.	St. Louis, Mo.	75	x
James W. Mathers	Int. Grain Merchandising Mgr.	Buffalo, N. Y.	10	x
John O'Connor	Asst. in Soybean Div.	St. Louis, Mo.	10	x
T. G. Stephenson	Mgr., Checkerboard Elev. Co.	St. Louis, Mo.	25	x

List of key employees of Ralston Purina Company who purchased common stock of the Company at \$47.50 per share as of Oct. 1, 1947—Continued

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares purchased	Stock-holders (self or immediate family) at time of purchase (x)
CEREAL				
Elspeth Bennett	Mgr., Nutrition Service	St. Louis, Mo.	5	
R. Z. Chew	Mgr., Private Label Div.	Chicago, Ill.	25	
M. G. Crider	Business Mgr.	St. Louis, Mo.	25	x
J. B. Dallas	District Sales Mgr.	San Francisco, Calif.	45	x
Herbert DeBoer	Cereal Sales Mgr.	Seattle, Wash.	20	x
G. R. Dougherty	Cereal Sales Mgr.	Atlanta, Ga.	25	x
J. V. Getlin	Mgr., Cereal Promotion	St. Louis, Mo.	30	x
D. S. Hegmann	District Mgr. Sales	Syracuse, N. Y.	40	x
R. L. Henry	District Mgr. Sales	Memphis, Tenn.	5	
J. B. Jekle	District Mgr. Sales	Boston, Mass.	25	x
W. W. Knorr	Special Institutional Salesman	Philadelphia, Pa.	10	
W. E. Konrad	Retail Salesman	San Francisco, Calif.	10	x
A. J. Martin	District Sales Mgr.	New York, N. Y.	25	x
L. G. McCray	District Sales Mgr.	Philadelphia, Pa.	25	x
H. J. Middleton	Asst. to Business Mgr.	St. Louis, Mo.	10	
R. C. Morgan	District Sales Mgr.	Cleveland, Ohio	40	x
A. O. Robertson	District Sales Mgr.	Fort Worth, Tex.	30	x
R. E. Smith	Vice Pres. (Cereals)	St. Louis, Mo.	74	x
F. L. Weber	Mgr., Institutional Div.	St. Louis, Mo.	50	x
EXECUTIVE SPECIAL				
T. R. Rof	Asst. to Chairman of Board	St. Louis, Mo.	10	x
FINANCIAL				
Earl Alexander	Asst. Mgr., Acctg. Div.	St. Louis, Mo.	10	x
C. M. Bacon	Mgr., Budget Div.	St. Louis, Mo.	20	x
P. C. Baichly	Asst. Gen. Credit Mgr.	St. Louis, Mo.	40	x
Alma Campbell	Mgr., Gen. Order Div.	St. Louis, Mo.	10	x
S. M. Cole	Mgr., Cereal Order Credit	St. Louis, Mo.	20	x
Mildred Deppe	Secy. to Controller	St. Louis, Mo.	10	x
G. L. Doerbaum	Credit Manager	St. Louis, Mo.	20	x
Correll Fox	Mgr., Contract Div., Legal Dept.	St. Louis, Mo.	13	
V. W. Gieselman	Mgr., Insurance Dept.	St. Louis, Mo.	16	x
E. D. Godfrey	Mgr., Accounting Div.	St. Louis, Mo.	50	x
P. L. Jacoby	Controller	St. Louis, Mo.	36	x
R. A. Jekyl	Mgr., Gen. Order-Credit Dept.	St. Louis, Mo.	20	x
F. A. Judell	Counsel	St. Louis, Mo.	10	x
E. B. Murdoch	Mgr., Tax and Corporate Dept.	St. Louis, Mo.	38	x
E. B. Perkins	Cashier	St. Louis, Mo.	10	x
Harry Pickler	Mgr., Sales Payroll Div.	St. Louis, Mo.	5	x
E. R. Siler	Treasurer	St. Louis, Mo.	100	x
A. M. Stevens	Mgr., Feeder Finance	St. Louis, Mo.	10	x
Lewis B. Stuart	Vice Pres. (Finance)	St. Louis, Mo.	50	x
PERSONNEL				
Naomi D. Burton	Mgr., Clerical Service	St. Louis, Mo.	10	x
E. M. DeVaux	Asst. General Office Mgr.	St. Louis, Mo.	10	x
A. S. Humphill	Asst. to Personnel Director	St. Louis, Mo.	10	x
F. W. Huntington	Vice Pres. (Personnel and Office)	St. Louis, Mo.	100	x
A. W. Meise	Personnel Director	St. Louis, Mo.	10	x
I. O. Royse	General Office Mgr.	St. Louis, Mo.	22	x
J. E. Schoplin	Mgr., Ad-Service Div.	St. Louis, Mo.	2	x
PUBLIC RELATIONS				
O. O. McIntosh	Director, Public Relations	St. Louis, Mo.	20	x
E. A. Sinden	Director, Public Relations	St. Louis, Mo.	30	x
J. A. Sykes	Vice Pres. (Public Relations)	St. Louis, Mo.	100	x

List of key employees of Ralston Purina Company who purchased common stock of the Company at \$47.50 per share as of Oct. 1, 1947—Continued

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares purchased	Stockholders (self or immediate family) at time of purchase (x)
PRODUCTION				
St. Louis Office, Laboratories, and Research Farms				
T. R. Atchison	Gen. Traffic Mgr.	St. Louis, Mo.	80	x
C. D. Bartley	Utilities Div. Supervisor	St. Louis, Mo.	10	x
V. A. Bergmann	Mgr., Sanitation and Merchandising	St. Louis, Mo.	25	x
W. B. Brew	Mgr. Organic Laboratory	St. Louis, Mo.	10	x
J. W. Brooks	Asst. in Animal Pathological Dept.	St. Louis, Mo.	2	
H. H. Brower	Asst. Mgr., Sanitation Products Dept.	St. Louis, Mo.	10	
J. K. Brown	Asst. to Vice President	St. Louis, Mo.	8	x
R. E. Gray	Mgr., Egg Marketing Div.	St. Louis, Mo.	15	
C. W. Darby	Asst. in Animal Pathological Dept.	St. Louis, Mo.	10	x
D. K. English	Mgr., Engineering Dept.	St. Louis, Mo.	66	x
C. D. Fales	Sales Asst. in Eastern Region	St. Louis, Mo.	10	
K. E. Garrison	Mgr., Cereal and Sanitation Plants	St. Louis, Mo.	65	x
C. A. Gettler	Staff Engineer	St. Louis, Mo.	20	x
D. L. Grant	Division Production Mgr.	St. Louis, Mo.	106	x
Florence Grasel	Secy. to Production Mgr.	St. Louis, Mo.	10	x
Mary Ione Headrick	Secy. to Production Mgr.	St. Louis, Mo.	5	
H. T. James	Staff Engineer	St. Louis, Mo.	20	
C. S. Johnson	Vice President (Research and Products)	St. Louis, Mo.	100	x
E. B. Johnson	Asst. Mgr., Product Control	St. Louis, Mo.	25	
J. F. Jones	Div. Production Mgr.	St. Louis, Mo.	10	x
D. C. Joy	Asst. Mgr., Checkerboard Stores	St. Louis, Mo.	20	x
L. H. Kronig	Mgr., Checkerboard Stores	St. Louis, Mo.	30	x
R. E. Lubbehusen	Mgr., Animal Pathological Div.	St. Louis, Mo.	10	x
N. J. Martin	Staff Engineer	St. Louis, Mo.	16	x
W. O. Maurer	Staff Engineer	St. Louis, Mo.	21	x
Helen Miller	Secy. to Sales Manager	St. Louis, Mo.	10	x
G. A. Noxon	Mgr., Production Dept.	St. Louis, Mo.	50	x
A. J. O'Brien	Personnel Mgr., Production Dept.	St. Louis, Mo.	5	
H. L. Olyncie	Mgr., Farm Supply Warehouse	St. Louis, Mo.	5	x
Harm D. Pefery	Mill Feed Div. Mgr., Checkerboard Elevator Company	St. Louis, Mo.	10	
Mary Jane Pickel	Secy. to Vice President	St. Louis, Mo.	2	x
G. C. Pittenger	Asst. Mgr., Farm Supplies Dept.	St. Louis, Mo.	10	x
T. J. Potts	Mgr., Analytical Laboratory	St. Louis, Mo.	7	x
R. E. Rowland	Vice Pres. (Production)	St. Louis, Mo.	100	x
H. C. Shaefer	Mgr., Nutrition Research Labs.	St. Louis, Mo.	16	x
W. C. Schofield	Assistant in Animal Pathological Dept.	St. Louis, Mo.	8	
G. A. Schaub	Western Traffic Mgr.	St. Louis, Mo.	10	x
F. D. Smith	Mgr., Livestock Sales, Eastern Region	St. Louis, Mo.	30	x
G. H. Steel	Safety Director	St. Louis, Mo.	15	x
J. C. Thompson	Mgr., Dairy Div. of Chow Products	St. Louis, Mo.	10	x
Mildred Umbrath	Secy. to Vice President	St. Louis, Mo.	10	
L. D. Varble	Office Mgr., St. Louis Plant	St. Louis, Mo.	18	x
D. E. Ward	Mgr., Sanitation Dept.	St. Louis, Mo.	50	x
John M. Wear, Jr.	Mgr., Experimental Farm	Gray Summit, Mo.	11	x
Claude L. Welch, Mgr.	Product Control	St. Louis, Mo.	40	x
Harold L. Wilke, Mgr.	Gen. Poultry and Hatching Dept.	St. Louis, Mo.	10	
Virgil O. Wodicka, Mgr.	Cereal Research Lab.	St. Louis, Mo.	10	x
John R. Wright	Staff Engineer	St. Louis, Mo.	5	

List of key employees of Ralston Purina Company who purchased common stock of the Company at \$47.50 per share as of Oct. 1, 1947—Continued

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares purchased	Stock- holders (self or immediate family) at time of purchase (X)
PRODUCTION—Con.				
CENTRAL PLANTS				
Fort Worth, Tex.				
E. E. Braznell	Superintendent	Ft. Worth, Tex.	10	X
R. E. Cowan	Manager	Ft. Worth, Tex.	100	X
L. A. Pharr	Asst. Manager	Ft. Worth, Tex.	40	X
Iowa Falls, Iowa				
H. N. Johnson	Manager	Iowa Falls, Iowa	20	X
Arno Tagge	Asst. Manager	Iowa Falls, Iowa	4	
Kansas City, Mo.				
J. C. Skaggs	Manager	Kansas City, Mo.	60	X
Lubbock, Tex.				
John Joseph Moore	Superintendent	Lubbock, Tex.	17	
Minneapolis, Minn.				
Oscar F. Clayton	Check-R-Board Elev. Mgr.	Minneapolis, Minn.	40	
R. L. Ranney	Superintendent	Minneapolis, Minn.	20	X
A. C. Weberg	Manager	Minneapolis, Minn.	20	X
Omaha, Nebr.				
Dewey Agnew	Superintendent	Omaha, Nebr.	8	X
Warren Wells	Manager	do	21	X
St. Louis, Mo.				
Charles E. Beyer	Traffic manager, Checker- board Elev. Co.	St. Louis, Mo.	10	X
H. L. Colwell	Manager, St. Louis Plant	do	75	X
Raleigh B. Wilson	Intermediate Grain Merchant, Checkerboard Elev. Co.	do	3	
EASTERN PLANTS				
Buffalo, N. Y.				
James Hedrick	Superintendent	Buffalo, N. Y.	50	X
Joseph F. Leping	Manager	do	20	X
N. B. Morey	Asst. Manager	do	50	X
Charlotte, N. C.				
Gilbert Branch	Acting Manager	Charlotte, N. C.	20	X
Oliver W. Klein	Superintendent	do	10	
Circleville, Ohio				
Jay L. Clark	Superintendent	Circleville, Ohio	20	X
Vaden Couch	Manager	do	30	
Nashville, Tenn.				
Joda Austin	Superintendent	Nashville, Tenn.	50	X
J. S. Blunt	Manager	do	100	X
W. A. Gunn	Asst. Manager	do	20	X
Richmond, Ind.				
V. H. Frisch	Manager	Richmond, Ind.	10	

List of key employees of Ralston Purina Company who purchased common stock of the Company at \$47.50 per share as of Oct. 1, 1947—Continued

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares pur- chased	Stock- holders (self or immediate family) at time of purchase (x)
PRODUCTION—CON.				
EASTERN PLANTS—CON.				
<i>Wilmington, Del.</i>				
A. L. Fager	Asst. Manager	Wilmington, Del.	21	
Dewey Reader	Manager	Wilmington, Del.	20	x
WESTERN PLANTS				
<i>Denver, Colo.</i>				
W. T. Chafee	Manager	Denver, Colo.	5	
Otis P. Sherrill	Asst. Mgr.-Buyer	Denver, Colo.	20	
<i>Los Angeles, Calif.</i>				
J. P. Andrews	Manager	Los Angeles, Calif.	20	
F. E. Boss	Buyer	Los Angeles, Calif.	10	x
<i>Oakland, Calif.</i>				
W. R. Arends	Manager	Oakland, Calif.		x
Lyle Herlitz	Elevator Foreman	Oakland, Calif.		
Edwin Murray	Superintendent	Oakland, Calif.	21	x
<i>Pocatello, Idaho</i>				
H. F. Ory	Manager	Pocatello, Idaho	12	x
<i>Visalia, Calif.</i>				
M. E. Staed	Superintendent	Visalia, Calif.	10	x
CEREAL AND SANITA- TION PLANTS				
<i>Battle Creek, Mich.</i>				
Joseph Berger	Power Engineer	Battle Creek, Mich.	9	
<i>Davenport, Iowa</i>				
John M. Burrows	Manager	Davenport, Iowa	40	x
<i>Minneapolis, Minn. (Py-Krisp)</i>				
Henry Radde	Office Manager	Minneapolis, Minn.	4	x
SANITATION PLANT				
Gay Nelson	Manager	St. Louis, Mo.	7	
SALES				
ST. LOUIS GENERAL STAFF				
Roy Brandenburg	Mgr., Farm Supply (Stores)	St. Louis, Mo.	50	x
Beryl Campbell	Asst. to Gen. Sales Mgr.	St. Louis, Mo.	14	x
J. E. Hinshaw	Mgr., Poultry Sales, Southern Region	St. Louis, Mo.	23	x
John E. Hoff	Mgr., Poultry Sales, Grain Belt Div.	St. Louis, Mo.	30	x
Juanita A. Hohnstrater	Steno. to Staff Mgr.	St. Louis, Mo.	7	
R. V. Kirk	Sales Mgr., Central States	St. Louis, Mo.	25	x
Carl A. Leupold	Mdse. Mgr., Southern Region	St. Louis, Mo.	40	x
Mack O. North	Mgr., Broiler, Turkey, and Luck Div. of Poultry Dept.	St. Louis, Mo.	20	
E. B. Pratt	Dairy Chow Mgr.—Grain Belt	St. Louis, Mo.	20	x

List of key employees of Ralston Purina Company who purchased common stock of the Company at \$47.50 per share as of Oct. 1, 1947—Continued

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares pur- chased	Stock- holders (self or immediate family) at time of purchase (x)
SALES—CON.				
ST. LOUIS GENERAL STAFF—CON.				
J. Roe Pree	Asst. in St. Louis Farm Supply.	St. Louis, Mo.	10	x
E. M. Putney	Vice Pres. (Gen. Chow Sales Mgr.)	St. Louis, Mo.	100	x
Meade Summers	Mgr. Poultry Sales—Eastern Region.	St. Louis, Mo.	50	x
E. M. Williams	Mgr. Cattle, Hog, and Sheep Sales, Grain Belt Region.	St. Louis, Mo.	42	x
GRAIN BELT—WESTERN REGION				
<i>Central States Division</i>				
R. D. McGranahan	District Salesman	St. Louis, Mo.	20	x
Leonard G. Ray	District Salesman	St. Louis, Mo.	25	x
Fred W. Schuler	District Salesman	St. Louis, Mo.	20	x
<i>Missouri-Iowa Division</i>				
L. W. Karr	Salesmanager	Des Moines, Iowa	70	x
<i>North Central Division</i>				
Fred B. Merrill	Salesmanager	Minneapolis, Minn.	25	x
<i>Western States Division</i>				
Gil L. James	Salesmanager	Kansas City, Mo.	94	x
SOUTHERN REGION				
<i>Nashville Division</i>				
G. S. Crowe	District Salesman	Nashville, Tenn.	10	x
Ira L. Fears	District Salesman	Nashville, Tenn.	10	x
J. W. Freeman	District Salesman	Nashville, Tenn.	50	x
Ralph H. Jarrett	District Salesman	Nashville, Tenn.	50	x
J. E. Streetman	Salesmanager	Nashville, Tenn.	40	x
J. Howard Watson	District Salesman	Nashville, Tenn.	25	x
<i>South Atlantic Division</i>				
Horace G. Bolton	District Salesman	Charlotte, N. C.	10	x
Hollis B. Franks	District Salesman	Charlotte, N. C.	50	x
Bernard A. Mangum	District Salesman	Charlotte, N. C.	20	x
J. V. McAllister	District Salesman	Charlotte, N. C.	1	x
R. P. Oliver	Salesmanager	Charlotte, N. C.	100	x
<i>South Central Division</i>				
J. H. Branch	Salesmanager	Memphis, Tenn.	20	x
C. M. Close	District Salesman	Memphis, Tenn.	75	x
R. J. Middleton	District Salesman	Memphis, Tenn.	25	x
W. J. Newsum	District Salesman	Memphis, Tenn.	40	x
Ruford H. Roberts	District Salesman	Memphis, Tenn.	25	x
T. E. Veitch	District Salesman	Memphis, Tenn.	40	x
<i>Southeastern Division</i>				
C. F. Holle	District Salesman	Jacksonville, Fla.	100	x
H. M. Nonnenmacher	District Salesman	Jacksonville, Fla.	25	x
Tom B. Preston	District Salesman	Jacksonville, Fla.	25	x
Fred H. Pruitt	District Salesman	Jacksonville, Fla.	3	x
Wendell E. Sherrel	District Salesman	Jacksonville, Fla.	25	x

List of key employees of Ralston Purina Company who purchased common stock of the Company at \$47.50 per share as of Oct. 1, 1947—Continued

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares purchased	Stock- holders (self or immediate family) at time of purchase (x)
SALES—Con.				
EASTERN REGION				
<i>Central Atlantic Division</i>				
Lee B. Agee	District Salesman	Baltimore, Md.	20	x
Clyde M. Appar	Territory Salesman	Baltimore, Md.	5	
Olin M. Avis	Territory Salesman	Baltimore, Md.	15	x
Charles J. Bryan	District Salesman	Baltimore, Md.	100	x
Louis A. Clements	District Salesman	Baltimore, Md.	10	x
Jacob A. Correll	District Salesman	Baltimore, Md.	40	x
J. D. Davis III	Territory Salesman	Baltimore, Md.	15	x
Mario DeAntonellis	Territory Salesman	Baltimore, Md.	10	x
Clifford M. Dryden	Territory Salesman	Baltimore, Md.	30	x
Harry H. Dukes	Territory Salesman	Baltimore, Md.	60	x
Charles E. Ficke	District Salesman	Baltimore, Md.	15	x
Joseph D. Fowler	Territory Salesman	Baltimore, Md.	10	x
Gibson Graham	Territory Salesman	Baltimore, Md.	20	x
Jesse J. Gwaltney	Territory Salesman	Baltimore, Md.	15	x
Calvin A. Hauck	District Salesman	Baltimore, Md.	25	x
James W. Honeysett	District Salesman	Baltimore, Md.	20	x
Robert S. Keith	District Salesman	Baltimore, Md.	20	x
Philip H. Sprengle	District Salesman	Baltimore, Md.	25	x
W. Franklin Sumner	District Salesman	Baltimore, Md.	10	x
Wade P. Thomas	District Salesman	Baltimore, Md.	15	x
H. Clay Weaver	District Salesman	Baltimore, Md.	10	x
Sterling White	Salesmanager	Baltimore, Md.	80	x
Fitzhugh L. Wickham	District Salesman	Baltimore, Md.	20	x
Arthur E. Williams	Territory Salesman	Baltimore, Md.	10	x
A. Shober Zarbe	District Salesman	Baltimore, Md.	30	x
<i>Lake States Division</i>				
Cary T. Hartman	District Salesman	Columbus, Ohio	20	x
Leon M. McCorkle	District Salesman	Columbus, Ohio	20	x
V. W. Peterson	District Salesman	Columbus, Ohio	20	x
J. H. Ralston	Salesmanager	Columbus, Ohio	50	x
J. T. Weaver	District Salesman	Columbus, Ohio	10	
<i>North Atlantic Division</i>				
L. L. Braybrook	Salesmanager	Syracuse, N. Y.	100	x
Harold I. Fiedrich	District Salesman	Syracuse, N. Y.	15	x
Duncan R. Rodgers	District Salesman	Syracuse, N. Y.	15	
John B. Johnson	District Salesman	Syracuse, N. Y.	5	x
Warren H. Searfoss	District Salesman	Syracuse, N. Y.	10	x
STORES				
George A. Allen	Supervisor of Florida Stores	St. Louis, Mo.	25	x
John R. Crosby	Checkerboard Store Salesman	St. Louis, Mo.	25	
Keith Jungren	Storemanager and District Salesman	St. Louis, Mo.	35	x
Louis L. Tourgee	Store Manager, Harrisonburg, Va.	St. Louis, Mo.	25	x
Robert W. Waite	Store Manager, Winchester, Va.	St. Louis, Mo.	15	

PRETRIAL CONFERENCE EXHIBIT C

List of key employees of Ralston Purina Company who purchased common stock of the company at \$50 per share as of Sept. 30, 1948

Total number of names 20
 Number who were previously stockholders (90%) 18
 Total number of shares 1,120

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares purchased	Stock- holders (self or immediate family) at time of purchase (x)
ADVERTISING				
W. P. Hays	Asst. Dir. Advertising	St. Louis, Mo.	51	x
BUYING				
E. A. Cayce	Vice Pres. (Purchasing)	St. Louis, Mo.	120	x
R. H. Dean	Mgr., Grain Buying	St. Louis, Mo.	50	x
Paul C. Knowlton	Mgr., Checkerboard Elev. Co.	St. Louis, Mo.	20	x
D. B. Walker	Mgr., Soybean Division	St. Louis, Mo.	50	x
FINANCIAL				
Cottrell Fox	Mgr., Contract Div.	St. Louis, Mo.	7	x
L. B. Murdock	Mgr., Tax and Corporate Dept.	St. Louis, Mo.	10	x
E. R. Siler	Treasurer	St. Louis, Mo.	60	x
PERSONNEL				
A. S. Remphill	Mgr., Sanitation Plant	St. Louis, Mo.	10	x
F. W. Huntington	Vice Pres. (Personnel and Office)	St. Louis, Mo.	110	x
J. E. Schopflin	Mgr., Ad-Service Div.	St. Louis, Mo.	2	x
PRODUCTION				
ST. LOUIS OFFICE, LABORATORIES				
K. E. Garrison	Prod. Mgr., Cereal Plants	St. Louis, Mo.	100	x
Douglas Hale	Mgr., Cereal Development Div.	St. Louis, Mo.	10	
R. E. Rowland	Vice Pres. (Production)	St. Louis, Mo.	200	x
C. A. Tolin, Jr.	Prod. Mgr., Western Plants	St. Louis, Mo.	40	x
CEREAL AND SANITA- TION PLANTS				
Davenport, Iowa				
John Burrows	Manager	Davenport, Iowa	100	x
ADVERTISING				
Wm. D. Bowie	Supervising Copywriter	St. Louis, Mo.	40	x
W. D. Brockman	Mgr., Censor and Records Div., Promotion Dept.	St. Louis, Mo.	40	x
Lloyd Clay	Mgr., Radio Promotion Sec.	St. Louis, Mo.	5	
R. L. Eskridge	Editor, Dealer Publications	St. Louis, Mo.	3	x
C. C. Fawcett	Mgr., Art Division	St. Louis, Mo.	20	x
W. P. Hays	Asst. Director of Advertising	St. Louis, Mo.	100	x
Harry J. Holmes	Artist	St. Louis, Mo.	2	
Eugene Hoy	Senior Artist	St. Louis, Mo.	3	x
E. W. Kosfeld	Mgr., Dealer Adv. Div.	St. Louis, Mo.	7	x
John McGinty	Mgr., Promotion Div.	St. Louis, Mo.	90	x
Gregg Puster	Copywriter	St. Louis, Mo.	1	
Wm. J. Sims	Mgr., Special Promotions Div.	St. Louis, Mo.	20	x
Ed Smyth	Artist	St. Louis, Mo.	7	x
Mildred Zibell	Editor, Employee Magazine	St. Louis, Mo.	2	

List of key employees of Ralston Purina Company who purchased common stock of the company at \$50 per share as of Sept. 30, 1948—Continued

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares purchased	Stockholders (self or immediate family) at time of purchase (x)
BUYING				
L. M. Kishlar	Mgr., Animal Protein, Alfalfa Meal and Special Products Div.	St. Louis, Mo.	75	x
CEREAL				
C. A. McCray	District Salesmanager	Atlanta, Ga.	10	x
FINANCIAL				
Earl Alexander	Asst. Mgr., Accounting Div.	St. Louis, Mo.	20	x
Melvin Bahle	Accountant	St. Louis, Mo.	2	x
Julian Hoffmann	Asst. Mgr., Auditing Div.	St. Louis, Mo.	10	x
F. A. Judell	Senior Attorney	St. Louis, Mo.	10	x
Norma Wiedeker	Secy. to Mgr., Accounting Div.	St. Louis, Mo.	5	x

PRETRIAL CONFERENCE EXHIBIT D

List of key employees of Ralston Purina Company who purchased common stock of the company at \$55 per share as of Oct. 3, 1949

Total number of names 414
 Number who were previously stockholders (64%) 267
 Total number of shares 10,000

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares purchased	Stockholders (self or immediate family) at time of purchase (x)
ADVERTISING				
Wm. D. Bowie	Copywriter	St. Louis, Mo.	20	x
C. C. Fawcett	Mgr., Art Div., Prom. Dept.	St. Louis, Mo.	12	x
W. P. Hays	Asst. Dir. of Advertising	St. Louis, Mo.	100	x
Eugene Hoy	Senior Artist	St. Louis, Mo.	8	x
John McGinty	Mgr., Promotion	St. Louis, Mo.	50	x
G. M. Philipott	Vice Pres. (Promotion)	St. Louis, Mo.	42	x
William J. Sims	Mgr., Special Prom. Division	St. Louis, Mo.	20	x
BUYING				
Volley Branom	Mgr., Ingredient Supply Div.	St. Louis, Mo.	40	x
R. G. Bromley	Jr. Grain Merchandiser	Buffalo, N. Y.	5	
John P. Brown	Asst. Mgr., Soybean Div.	St. Louis, Mo.	15	x
E. A. Cayce	Vice Pres. (Purchasing)	St. Louis, Mo.	100	x
E. H. Dean	Mgr., Grain Buying Div.	St. Louis, Mo.	100	x
Wm. A. Krause	Mgr., Pricing Div.	St. Louis, Mo.	75	x
Harm D. Peters	Sr. Grain Merchandiser	St. Louis, Mo.	5	x
H. M. Robson	Purchasing Agent	St. Louis, Mo.	16	
Frank Tully	Purchasing Agent	St. Louis, Mo.	20	x
D. B. Walker	Mgr., Soybean Div.	St. Louis, Mo.	100	x
Raleigh Wilson	Intermediate Grain Merchandiser	St. Louis, Mo.	3	x

List of key employees of Ralston Purina Company who purchased common stock of the company at \$55 per share as of Oct. 3, 1949—Continued

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares purchased	Stockholders (self or immediate family) at time of purchase (x)
CEREAL				
Ivon Amend	Asst. District Salesman	San Francisco, Calif.	5	
Elsbeth Bennett	Mgr., Nutrition Service	St. Louis, Mo.	15	x
R. Z. Chew	Mgr., Private Label Div.	St. Louis, Mo.	25	x
M. G. Crider	Business Mgr., Office Div.	St. Louis, Mo.	25	x
J. B. Dallas	District Salesman	San Francisco, Calif.	25	x
Herb DeBoer	District Salesman	Seattle, Wash.	20	x
Guy Dougherty	District Sales Mgr.	Atlanta, Ga.	35	x
Leo Gaudreau	Retail Salesman	Boston, Mass.	10	
J. V. Gellin	Mgr., Cereal Sales and Promotion	St. Louis, Mo.	50	x
D. S. Hegmann	District Sales Manager	Boston, Mass.	40	x
R. L. Henry	District Sales Manager	Memphis, Tenn.	20	x
W. W. Knorr	District Sales Manager	Syracuse, N. Y.	35	x
Carlyle McCray	Retail Salesman	Philadelphia, Pa.	10	
L. C. McCray	District Sales Mgr.	Philadelphia, Pa.	49	x
S. B. McCurdy	Retail Salesman	Seattle, Wash.	20	x
C. K. Mills	District Sales Manager	Los Angeles, Calif.	30	x
R. C. Morgan	District Sales Manager	Cleveland, Ohio	43	x
K. K. Pauley	Retail Salesman	New York, N. Y.	20	x
A. O. Robertson	District Sales Manager	Fort Worth, Tex.	25	x
C. M. Siverson	Retail Salesman	Los Angeles, Calif.	10	
R. S. Smith	Vice Pres. (Cereals)	St. Louis, Mo.	50	x
J. J. Southcott, Jr.	Retail Salesman	Detroit, Mich.	2	x
Fred Weber	Mgr., Institutional Div.	St. Louis, Mo.	50	x
FINANCIAL				
Earl Alexander	Asst. Mgr., Acct. Div.	St. Louis, Mo.	10	x
Carl M. Bacon	Mgr., Budget Div.	St. Louis, Mo.	25	x
P. C. Baichly	Div. Credit Manager	St. Louis, Mo.	5	x
Otto Blumfelder	Asst. to Mgr. of Insurance Dept.	St. Louis, Mo.	5	x
S. M. Cole	Mgr., Gen. Cereal Order Div.	St. Louis, Mo.	15	x
G. L. Doerbaum	Div. Credit Manager	St. Louis, Mo.	20	x
Cottrell Fox	Mgr., Contract Div. of Legal Dept.	St. Louis, Mo.	5	x
V. W. Gieselman	Mgr., Insurance Dept.	St. Louis, Mo.	20	x
E. D. Godfrey	Mgr., Accounting Div.	St. Louis, Mo.	20	x
Julian Hoffman	Asst. Gen. Auditor	St. Louis, Mo.	19	
Fred Judel	Counsel—Legal Dept.	St. Louis, Mo.	30	x
Adeline John	Clerical Asst. in Cashier Dept.	St. Louis, Mo.	10	x
George M. Krauser	Asst. to Mgr. Consumer Credit Dept.	St. Louis, Mo.	5	x
L. B. Murdock	Mgr., Tax and Corporate Dept.	St. Louis, Mo.	30	x
Helen Nager	Secy. to Vice Pres.	St. Louis, Mo.	11	x
E. R. Or	Treasurer	St. Louis, Mo.	100	x
A. M. Stevens	Mgr., Gen. Consumer Div.	St. Louis, Mo.	10	x
Lewis B. Stuart	Vice Pres. (Finances)	St. Louis, Mo.	100	x
Norma Wiedeker	Clerical Asst. to Acctg. Mgr.	St. Louis, Mo.	3	x
PERSONNEL				
Naomi Burton	Mgr., Clerical Services	St. Louis, Mo.	5	x
E. M. DeVaux	Asst. Gen. Office Mgr.	St. Louis, Mo.	20	x
Elvera Hofmann	Asst. Mgr., Ad-Service	St. Louis, Mo.	10	x
G. R. Holroyd	Electrician—Maintenance Dept.	St. Louis, Mo.	6	x
F. W. Huntington	Vice Pres. (Personnel and Office)	St. Louis, Mo.	100	x
Frank Schliemann, Jr.	Mgr. Office Maintenance Div.	St. Louis, Mo.	8	x
J. E. Schopflin	Mgr., Ad-Service Div.	St. Louis, Mo.	5	x
John J. Skapik	Section Supervisor in Planning Division	St. Louis, Mo.	10	
Marie Walsh	Supervisor, Mail Section	St. Louis, Mo.	5	x
Joseph M. Whenden	Mgr., Office Supply Div.	St. Louis, Mo.	3	

List of key employees of Ralston Purina Company who purchased common stock of the company at \$55 per share as of Oct. 3, 1949—Continued

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares purchased	Stockholders (self or immediate family) at time of purchase (x)
PUBLIC RELATIONS				
Otis McIntosh	Director, Public Relations	St. Louis, Mo.	18	x
E. A. Sindecuse	Director, Public Relations	St. Louis, Mo.	50	x
J. D. Sykes	Vice Pres. (Public Relations)	St. Louis, Mo.	50	x
PRODUCTION				
<i>Battle Creek, Mich.</i>				
Howard Bacon	General Foreman	Battle Creek, Mich.	1	
William Barnes	Millwright Foreman	Battle Creek, Mich.	5	
Dick Bromley	Personnel Manager	Battle Creek, Mich.	5	
E. J. Carpenter	Laboratory Foreman	Battle Creek, Mich.	4	x
N. D. Heydenberk	Order Dept. Mgr.	Battle Creek, Mich.	4	
Clayton A. Iden	Packing Foreman	Battle Creek, Mich.	4	
Thomas H. Miner	General Foreman	Battle Creek, Mich.	5	x
Clare D. Townsend	Elevator Foreman	Battle Creek, Mich.	2	x
<i>Bloomington, Ill.</i>				
Jay L. Clark	Superintendent	Bloomington, Ill.	60	x
C. A. Edstrom	Acct. Dept. Mgr.	Bloomington, Ill.	4	x
N. B. Morey	Manager	Bloomington, Ill.	113	x
John O'Connor	Buyer	Bloomington, Ill.	10	x
Dale Wiegardt	Traffic Manager	Bloomington, Ill.	25	x
<i>Buffalo, N. Y.</i>				
Roger W. Hampton	Credit Manager	Buffalo, N. Y.	25	x
Jim Hedrick	Superintendent	Buffalo, N. Y.	50	x
Arthur Skibbe	Production Trainee	Buffalo, N. Y.	20	x
W. P. Thornton	Asst. Grain Buyer	Buffalo, N. Y.	6	x
K. G. Thur	Traffic Manager	Buffalo, N. Y.	10	x
C. V. Wasmund	Acct. Dept. Manager	Buffalo, N. Y.	10	x
<i>Charlotte, N. C.</i>				
J. A. Amos	Superintendent	Charlotte, N. C.	42	
Gil Brauch	Manager	Charlotte, N. C.	37	x
Joe D. Scott	Acctg. Dept. Mgr.	Charlotte, N. C.	10	
<i>Circleville, Ohio</i>				
A. V. Couch	Manager	Circleville, Ohio	33	x
Ray T. Friend	Superintendent	Circleville, Ohio	12	
M. J. Stephauiser	Order-Credit Manager	Circleville, Ohio	2	
<i>Davenport, Iowa</i>				
John Burrows	Manager	Davenport, Iowa	100	x
Edmund Cosby	Laboratory Asst	Davenport, Iowa	2	
Robert Garwood	Miller	Davenport, Iowa	4	
Ed Geest	Shipping Clerk	Davenport, Iowa	5	x
E. H. Hollen	Office Manager	Davenport, Iowa	10	
Howard C. Judd	Can Plant Foreman	Davenport, Iowa	2	
Harvey J. Keyoth	General Foreman, Cereals	Davenport, Iowa	2	x
Henry Leisnerking	Shipping Foreman	Davenport, Iowa	4	x
Robert Lerigo	Grain Buyer	Davenport, Iowa	3	
Louis Loulek	Foreman (Packing)	Davenport, Iowa	3	
Walter McDonald	Miller	Davenport, Iowa	4	x
William C. Mecker	Gen. Foreman (Chows)	Davenport, Iowa	5	
John Mcavek	Buyer	Davenport, Iowa	10	x
George J. Myers	Production Trainee	Davenport, Iowa	6	
Oliver Mohr	Chow Foreman	Davenport, Iowa	6	
Arthur H. Parke	Traffic Clerk	Davenport, Iowa	3	
Raymond Tomlinson	Maintenance, Shift Leader	Davenport, Iowa	5	
George VanHouten	Milki Personnel, Safety, Ingredient Control	Davenport, Iowa	1	
Ralph H. Vidal	Superintendent	Davenport, Iowa	10	x

List of key employees of Ralston Purina Company who purchased common stock of the company at \$55 per share as of Oct. 3, 1949—Continued

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares purchased	Stock- holders (self or immediate family) at time of purchase (x)
PRODUCTION—Con.				
<i>Denver, Colo.</i>				
Ted Chafee	Manager	Denver, Colo.	10	x
T. F. Warshauer	Production Trainee	Denver, Colo.	4	
<i>Dundee, Mich.</i>				
H. C. Weghorst	Manager	Dundee, Mich.	12	x
<i>Fort Worth, Tex.</i>				
E. E. Braznell	Superintendent	Fort Worth, Tex.	5	x
Roger L. George	Traffic Manager	Fort Worth, Tex.	25	x
Loy Ledbetter, Jr.	Asst. Buyer	Fort Worth, Tex.	15	x
Alva Merideth	General Foreman	Fort Worth, Tex.	2	
<i>Iowa Falls, Iowa</i>				
H. N. Johnson	Manager	Iowa Falls, Iowa	12	x
Arno Tagge	Asst. Manager	Iowa Falls, Iowa	2	x
<i>Kansas City, Mo.</i>				
Charles C. Huber	Production Trainee	Kansas City, Mo.	1	
<i>Lafayette, Ind.</i>				
Norman Adkins	Superintendent	Lafayette, Ind.	20	x
Joseph F. Bonner	Asst. Manager	Lafayette, Ind.	5	x
R. M. Guenther	Manager	Lafayette, Ind.	70	x
<i>Los Angeles, Calif.</i>				
J. P. Andrews	Manager	Los Angeles, Calif.	20	x
F. E. Boss	Buyer	Los Angeles, Calif.	10	x
Robert A. Moffitt	Laboratory Manager	Los Angeles, Calif.	10	
A. G. Richmond, Jr.	Office Mgr. and Order-Credit Mgr.	Los Angeles, Calif.	5	
Ross B. Smithson	Superintendent	Los Angeles, Calif.	60	x
Jerome C. Weber	Acctg. Dept. Mgr.	Los Angeles, Calif.	6	
<i>Miami, Fla.</i>				
Rennie Berry	Superintendent	Miami, Fla.	5	
James R. Lepine	Manager	Miami, Fla.	10	
<i>Minneapolis, Minn.</i>				
Gordon L. Ekberg	Loading Foreman	Minneapolis, Minn.	10	x
Ted Hetchkiss	Buyer	Minneapolis, Minn.	10	
Robert L. Ranney	Superintendent	Minneapolis, Minn.	35	x
A. C. Weber	Manager	Minneapolis, Minn.	25	x
<i>Minneapolis, Minn. (Ry-Krisp Plant)</i>				
Algot Hoberg	Bakeshop Foreman	Minneapolis, Minn.	1	x
Richard Partridge	Asst. Superintendent	Minneapolis, Minn.	5	
Edward Ulrich	Maintenance Foreman	Minneapolis, Minn.	2	x
Oscar Wicks	Packing Foreman	Minneapolis, Minn.	1	x
<i>Nashville, Tenn.</i>				
J. F. Austin	Superintendent	Nashville, Tenn.	50	x
John Blunt	Manager	Nashville, Tenn.	75	x
W. A. Gunn	Asst. Manager	Nashville, Tenn.	46	x
James D. Martin	Production Trainee	Nashville, Tenn.	2	

List of key employees of Ralston Purina Company who purchased common stock of the Company at \$70 per share as of Sept. 22, 1950—Continued

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares purchased	Stockholders (self or immediate family) at time of purchase (x)
SALES—Con.				
North Atlantic States Division				
George W. Barton	District Salesman	Buffalo, N. Y.	15	x
Floyd Blaser	Territory Salesman	Buffalo, N. Y.	10	x
Ralph Everett	District Salesman	Buffalo, N. Y.	20	x
C. Dean Fales	Asst. Division Sales Mgr.	Buffalo, N. Y.	50	x
H. I. Frederick	District Salesman	Buffalo, N. Y.	25	x
Carl W. Fribohn	District Salesman	Buffalo, N. Y.	25	
John Hallinan	District Salesman	Buffalo, N. Y.	25	
D. R. Hodgins	District Salesman	Buffalo, N. Y.	25	x
J. B. Johnson	District Salesman	Buffalo, N. Y.	25	x
C. W. Meyer	District Salesman	Buffalo, N. Y.	15	x
L. O. Reynolds	District Salesman	Buffalo, N. Y.	5	
Warren Searfoss	District Salesman	Buffalo, N. Y.	20	x
J. G. Stecher	Territory Salesman	Buffalo, N. Y.	10	x
S. A. White	Division Sales Manager	Buffalo, N. Y.	50	x
Stanley M. Woolley	Territory Salesman	Buffalo, N. Y.	25	x
Shore Division				
Olin M. Avis	Territory Salesman	St. Louis, Mo.	10	x
J. D. Davis	Territory Salesman	St. Louis, Mo.	10	x
C. M. Dryden	Territory Salesman	St. Louis, Mo.	25	x
Meade Summers	Division Sales Manager	St. Louis, Mo.	60	x
EASTERN REGION—GENERAL STAFF				
Vincent A. Bergman	Mgr., Merchandising	St. Louis, Mo.	50	x
Hollis H. Brower	Mgr., Poultry Meat Sales	St. Louis, Mo.	20	x
Irene Pitts	Secy. to Regional Sales Mgr.	St. Louis, Mo.	30	x
Wm. Thompson	Mgr. Sanitation and Farm Supply Sales	St. Louis, Mo.	10	
STORES				
Northern Stores				
Roger Barden	Store Manager	St. Louis, Mo.	5	x
Norris S. Edmunds	Store Manager	St. Louis, Mo.	30	
John Ghenes	Store Manager	St. Louis, Mo.	3	
James L. Hammett	Store Manager	St. Louis, Mo.	5	
S. G. Maniatty	Store Manager	St. Louis, Mo.	2	x
John P. O'Brien	Store Manager	St. Louis, Mo.	5	
Earl Rankin	Store Manager	St. Louis, Mo.	5	
F. D. Smith	Manager, Northern Stores	St. Louis, Mo.	40	x
Elbert Truesdale	Store Manager	St. Louis, Mo.	5	
Bernard L. Young	Store Manager	St. Louis, Mo.	5	
Southern Stores				
W. F. Cash, Jr.	Store Manager	St. Louis, Mo.	40	
P. E. Freeman	Store Manager	St. Louis, Mo.	20	
J. P. Garvin, Jr.	Store Manager	St. Louis, Mo.	3	
W. W. Holloway	Store Manager	St. Louis, Mo.	20	
M. Forest Randolph	Store Manager	St. Louis, Mo.	10	
Louis L. Tourgee, Jr.	Store Manager	St. Louis, Mo.	75	x
R. W. Waite, Jr.	Store Manager	St. Louis, Mo.	15	x

List of key employees of Ralston Purina Company who purchased common stock of the company at \$55 per share as of Oct. 3, 1949—Continued

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares purchased	Stock- holder (self or immediate family) at time of purchase (x)
PRODUCTION—Con.				
<i>Oakland, Calif.</i>				
W. R. Arends	Manager	Oakland, Calif.	100	x
Edwin C. Murray	Superintendent	Oakland, Calif.	20	x
William G. Raymond	Buyer	Oakland, Calif.	4	
Herold Zerweck	Accountant and Office Mgr	Oakland, Calif.	5	x
<i>Omaha, Nebr.</i>				
Dewey C. Agnew	Superintendent	Omaha, Nebr.	9	x
Roy M. Bernhardt	Stock Foreman	Omaha, Nebr.	3	
Lloyd R. Grover	Production Foreman	Omaha, Nebr.	4	
Keith J. Peck	Traffic Manager	Omaha, Nebr.	1	
<i>Pocatello, Idaho</i>				
Harold Ory	Manager	Pocatello, Idaho	20	x
Charles Ward	Superintendent	Pocatello, Idaho	20	
<i>Richmond, Ind.</i>				
V. H. Frisch	Manager	Richmond, Ind.	10	x
Dwight E. Lanman, Sr.	Superintendent	Richmond, Ind.	6	
Richard D. Spencer	Acctg. Dept. Mgr.	Richmond, Ind.	2	
David Toschlog	Order Dept. Mgr.	Richmond, Ind.	4	
<i>St. Johnsbury, Vt.</i>				
Norman Chase	Stores Accountant	St. Johnsbury, Vt.	5	
C. W. Hedrick	Manager	St. Johnsbury, Vt.	14	x
Paul Munkittrick	Mill Office Mgr.	St. Johnsbury, Vt.	1	
<i>St. Louis, Mo.</i>				
Harry Colwell	Manager	St. Louis, Mo.	35	x
Alex Gardner	Production Foreman	St. Louis, Mo.	10	x
H. E. Haecker	Stock Dept. Mgr.	St. Louis, Mo.	4	x
George Lanz	Production Trainee	St. Louis, Mo.	10	
Fred Neil	Credit Dept. Mgr.	St. Louis, Mo.	5	
Edward C. Niles, Jr.	Acctg. Dept. Mgr.	St. Louis, Mo.	10	x
H. Schaeperkoetter	Traffic Dept. Mgr.	St. Louis, Mo.	8	x
L. D. Varble	Office Manager	St. Louis, Mo.	20	x
<i>Sanitation Plant</i>				
A. S. Hemphill	Manager	St. Louis, Mo.	10	x
Fred Homfeldt	Stock Clerk	St. Louis, Mo.	3	
Al Jensch	Office Manager	St. Louis, Mo.	4	x
Joe Yakopovic	Manager, Order-Traffic	St. Louis, Mo.	2	
<i>Stockton, Calif.</i>				
Joseph Grifalva	Superintendent	Stockton, Calif.	10	
Wayne D. Nusbaum	Manager	Stockton, Calif.	20	x
<i>Tampa, Fla.</i>				
Francis J. Davis	Manager	Tampa, Fla.	10	x
Hubert L. Parr, Jr.	Order-Traffic Dept. Mgr.	Tampa, Fla.	2	
<i>Visalia, Calif.</i>				
Buzz Sted	Manager	Visalia, Calif.	18	x
Alex Wainwright	Accountant	Visalia, Calif.	5	
<i>Wichita, Kans.</i>				
Frank E. Earnst	Chow Production Leader	Wichita, Kans.	20	
O. P. Sherrill	Manager	Wichita, Kans.	20	x
Wm. A. Winter	Superintendent	Wichita, Kans.	20	x

PRETRIAL CONFERENCE EXHIBIT F

List of key employees of Ralston Purina Company who requested an opportunity to purchase common stock of the Company in Sept. or Oct. 1951

Total number of names 167
 Number who were previously stockholders (83.2%) 139
 Total number of shares 3,769

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares purchased	Stockholders (self or immediate family) at time of purchase (x)
PERSONNEL				
F. W. Huntington	Vice Pres., Personnel and Office	St. Louis, Mo.	100	x
PUBLIC RELATIONS				
O. O. McIntosh	Director of Public Relations	St. Louis, Mo.	15	x
Marie Schaffer	Secy. to Vice President, Public Relations	St. Louis, Mo.	2	x
Earl A. Sindecuse	Director of Public Relations	St. Louis, Mo.	100	x
PRODUCTION				
EASTERN PLANTS				
Buffalo, N. Y.				
Bill Derr	Credit Department	Buffalo, N. Y.	50	
Roger Hampton	Credit Manager	Buffalo, N. Y.	100	x
F. W. Karl	Foreman	Buffalo, N. Y.	5	x
P. M. Rizzo	Foreman	Buffalo, N. Y.	5	x
Charlotte, N. C.				
Don Fischer	Asst. Standards Mgr.	Charlotte, N. C.	6	x
Delmar, Del.				
S. A. White	Manager	Delmar, Del.	50	x
Jackson, Miss.				
W. G. Winter	Superintendent	Jackson, Miss.	7	x
Miami, Fla.				
J. Q. Tilghman	Manager	Miami, Fla.	7	x
Wilmington, Del.				
A. L. Fager	Asst. Manager	Wilmington, Del.	2	x
CENTRAL PLANTS				
Bloomington, Ill.				
R. G. Fagerburg	Order-Credit Mgr.	Bloomington, Ill.	1	
Fort Worth, Tex.				
R. E. Cowan	Manager	Fort Worth, Tex.	63	x
R. S. Cowan	Maintenance Foreman	Fort Worth, Tex.	26	x
Chas. DeVol	Order Credit Manager	Fort Worth, Tex.	5	x
Etta Pauline Martin	Chief-Order Dept.	Fort Worth, Tex.	5	x
L. A. Pharr	Asst. Manager	Fort Worth, Tex.	20	x
J. R. Turner	Accounting Dept. Mgr.	Fort Worth, Tex.	5	x
Iowa Falls, Iowa				
Harold W. Bell	Order-Credit Mgr.	Iowa Falls, Iowa	2	x
H. N. Johnson	Manager	Iowa Falls, Iowa	20	x
Barney McCoy	Buyer	Iowa Falls, Iowa	10	

List of key employees of Ralston Purina Company who purchased common stock of the company at \$55 per share as of Oct. 3, 1949—Continued

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares pur- chased	Stock- holders (self or immediate family) at time of purchase (X)
PRODUCTION—CON.				
<i>Wilmington, Del.</i>				
Ralph B. Dill, Jr.	General Foreman	Wilmington, Del.	4	X
Edward A. Dunning	Superintendent	Wilmington, Del.	10	X
D. F. Reeder	Manager	Wilmington, Del.	10	X
ST. LOUIS GENERAL OFFICE				
L. C. Altmansberger	Mgr., Budget and Cost Division	St. Louis, Mo.	10	X
T. R. Atchison	Gen. Traffic Manager	St. Louis, Mo.	100	X
D. K. English	Mgr., Engineering Dept.	St. Louis, Mo.	120	X
K. E. Garrison	Mgr., Cereal and Sanitation Plants	St. Louis, Mo.	150	X
Carl Gettler	Cereal Division Engineer	St. Louis, Mo.	25	X
Dave E. Grant	Production Mgr., Eastern Div.	St. Louis, Mo.	50	X
Douglas Hale	Mgr., Cereal Development Div.	St. Louis, Mo.	15	X
J. F. Jones	Production Mgr., Western Div.	St. Louis, Mo.	18	X
Harry Knoblock	Traffic Mgr., Merchandise and Cereal Div.	St. Louis, Mo.	6	X
Norvell J. Martin	Eastern Div. Engineer	St. Louis, Mo.	15	X
Wm. O. Maurer	Central Div. Engineer	St. Louis, Mo.	50	X
J. R. McCann	Mgr. Fire Prevention Div.	St. Louis, Mo.	5	
A. J. O'Brien	Personnel Mgr.	St. Louis, Mo.	35	X
Mary Jane Pickel	Secy. to Vice President	St. Louis, Mo.	5	X
Claude F. Ross	Staff Engineer, Engrg. Dept.	St. Louis, Mo.	10	
R. E. Rowland	Vice Pres. (Production)	St. Louis, Mo.	399	X
C. B. Smith	Asst. Utilities Engineer	St. Louis, Mo.	6	
George H. Steel	Safety Director	St. Louis, Mo.	6	X
Alvin Tolln	Production Mgr., Central Plants	St. Louis, Mo.	50	X
John R. Wright	Western Div. Engineer	St. Louis, Mo.	27	X
RESEARCH				
B. F. Beaver	Mgr., Chemical and Control Div. of Disease Control Lab.	St. Louis, Mo.	8	
Roy Brandenburger	Mgr., Sanitation and Farm Supply Dept.	St. Louis, Mo.	75	X
C. S. Johnson	Vice Pres. (Products and Research)	St. Louis, Mo.	100	X
Emmett B. Johnson	Asst. Mgr., Product Control Dept.	St. Louis, Mo.	80	X
R. E. Lubbehusen	Mgr., Disease Control Labs.	St. Louis, Mo.	25	X
Tom J. Potts	Mgr., Analytical Laboratory	St. Louis, Mo.	5	X
H. C. Schaefer	Mgr., Nutrition Res. Labs.	St. Louis, Mo.	10	X
W. C. Schofield	Asst. Mgr., Disease Control Labs.	St. Louis, Mo.	25	X
W. C. Sherman	Mgr., Biological Res. Labs.	St. Louis, Mo.	2	X
Harold Slight	Mgr., Farm Management Div. of Research Dept.	St. Louis, Mo.	3	
John Wear	Mgr., Experimental Farm	St. Louis, Mo.	10	X
Claude Welch	Mgr., Product Control	St. Louis, Mo.	10	X
Harold Wilcke	Asst. Director of Research	St. Louis, Mo.	45	X

List of key employees of Ralston Purina Company who purchased common stock of the company at \$55 per share as of Oct. 3, 1949—Continued

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares purchased	Stockholders (self or immediate family) at time of purchase (x)
SALES				
EASTERN REGION				
Canadian Division				
Henrico Boissy	District Salesman	Toronto, Ontario	10	
Central Atlantic States Division				
L. B. Agee	District Salesman	Baltimore, Md.	25	x
C. M. Apgar	Territory Salesman	Baltimore, Md.	5	x
W. E. Cassell	Territory Salesman	Baltimore, Md.	5	
C. E. Ficke	District Salesman	Baltimore, Md.	15	x
J. D. Fowler	Territory Salesman	Baltimore, Md.	5	x
Horace V. Ginn, Jr.	Territory Salesman	Baltimore, Md.	5	
C. A. Hauck	District Salesman	Baltimore, Md.	25	x
J. W. Honeysett	District Salesman	Baltimore, Md.	20	x
George Richardson	Salesmanager	Baltimore, Md.	20	x
P. H. Sprengle	District Salesman	Baltimore, Md.	25	x
W. F. Sumner	District Salesman	Baltimore, Md.	10	
W. P. Thomas	District Salesman	Baltimore, Md.	50	x
F. L. Wickham	District Salesman	Baltimore, Md.	25	x
A. E. Williams	Territory Salesman	Baltimore, Md.	10	x
A. S. Zerbo	District Salesman	Baltimore, Md.	70	x
Lake States Division				
Luther Fettes	Territory Salesman	Columbus, Ohio	4	
John Harmon	District Salesman	Columbus, Ohio	18	
Fred Schuler	District Salesman	Columbus, Ohio	20	x
New England Division				
Stanley Baraw	District Salesman	Boston, Mass.	60	
G. M. Gockman	District Salesman	Boston, Mass.	10	x
John Goord, Jr.	District Salesman	Boston, Mass.	10	
Dwight Harlow	District Salesman	Boston, Mass.	20	
Hollis Humphrey	Territory Salesman	Boston, Mass.	25	
B. B. Hussey	Territory Salesman	Boston, Mass.	2	
Eric B. Johnson	Territory Salesman	Boston, Mass.	25	
T. R. O'Toole	Territory Salesman	Boston, Mass.	2	
C. J. Reylek	District Salesman	Boston, Mass.	80	x
North Atlantic Division				
George Ash, Jr.	District Salesman	Buffalo, N. Y.	10	
R. E. Barden	Mgr., Check-R-Board Store	Binghamton, N. Y.	10	
G. W. Barden	District Salesman	Buffalo, N. Y.	10	
Ralph Everett	District Salesman	Buffalo, N. Y.	50	
Dean Fales	Staff Man.	St. Louis, Mo.	20	x
Harold Frederick	District Salesman	Buffalo, N. Y.	30	x
D. R. Hodgins	District Salesman	Buffalo, N. Y.	15	x
J. B. Johnson	District Salesman	Buffalo, N. Y.	10	x
C. W. Meyer	District Salesman	Buffalo, N. Y.	20	
E. S. Morse	Territory Salesman	Buffalo, N. Y.	10	
W. H. Searfoss	District Salesman	Buffalo, N. Y.	20	x
L. R. Shultz	District Salesman	Buffalo, N. Y.	20	
J. G. Stecher	Territory Salesman	Buffalo, N. Y.	5	
K. O. Stephens	District Salesman	Buffalo, N. Y.	11	x
B. J. Terpenning	Mgr., Check-R-Board Store	Owego, N. Y.	5	
S. A. White	Salesmanager	Buffalo, N. Y.	50	x
Shore Division				
J. A. Correll	District Salesman	St. Louis, Mo.	30	x
James D. Davis	Territory Salesman	St. Louis, Mo.	20	x
Meadie Summers	Salesmanager	St. Louis, Mo.	116	x

List of key employees of Ralston Purina Company who purchased common stock of the company at \$55 per share as of Oct. 3, 1949—Continued

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares purchased	Stockholders (self or immediate family) at time of purchase (x)
SALES—CON.				
ST. LOUIS GENERAL OFFICE				
V. A. Bergman	Merchandising Mgr.	St. Louis, Mo.	70	x
Hollis Brower	Mgr., Poultry and Fattening Chow Sales.	St. Louis, Mo.	10	x
Albert Leonard	Mgr., Livestock and Specialty Chow Sales.	St. Louis, Mo.	14	x
Irene Pitts	Secy. to Sales Manager	St. Louis, Mo.	8	x
GRAIN BELT—WESTERN REGION				
California Division				
Noel E. Bengert	District Salesman	Los Angeles, Calif.	10	
Redmond Cotter	District Salesman	Los Angeles, Calif.	3	
Willard Gray	District Salesman	Los Angeles, Calif.	10	
C. C. Henley	District Salesman	Los Angeles, Calif.	5	x
Gilbert Hopkins	Territory Salesman	Los Angeles, Calif.	5	
E. D. Marshall	Territory Salesman	Los Angeles, Calif.	5	
Herb Mergendoller	Territory Salesman	Los Angeles, Calif.	10	
Fred Perner	District Salesman	Los Angeles, Calif.	5	
Don Purcell	Salesmanager	Los Angeles, Calif.	80	
Dan J. Ramey	District Salesman	Los Angeles, Calif.	10	
Robert Tewksbury	District Salesman	Los Angeles, Calif.	5	
Keith Weltz	Staff Man.	Los Angeles, Calif.	10	x
Robert Woolley	Staff Man.	Los Angeles, Calif.	10	
John H. Zieten	District Salesman	Los Angeles, Calif.	15	
Central States Division				
J. O. Reasley	District Salesman	St. Louis, Mo.	10	x
R. W. Boatright	District Salesman	St. Louis, Mo.	5	x
Horace Boyd	Territory Salesman	St. Louis, Mo.	10	x
C. N. Dannacher	Territory Salesman	St. Louis, Mo.	5	x
M. R. DeVoe	District Salesman	St. Louis, Mo.	20	x
J. C. Dixon	District Salesman	St. Louis, Mo.	10	
F. R. Harrison	District Salesman	St. Louis, Mo.	5	x
Ray Hopewell	District Salesman	St. Louis, Mo.	10	
W. C. Hooper	District Salesman	St. Louis, Mo.	10	x
K. V. Johnson	District Salesman	St. Louis, Mo.	5	
William L. Kerth	District Salesman	St. Louis, Mo.	10	
M. E. Lipscomb	District Salesman	St. Louis, Mo.	15	x
H. B. Morris	District Salesman	St. Louis, Mo.	25	x
K. G. Walsh	District Salesman	St. Louis, Mo.	10	x
John Wunderlich	District Salesman	St. Louis, Mo.	20	x
Missouri-Iowa Division				
W. R. Allan	District Salesman	Des Moines, Iowa	15	
Harry W. Allen	District Salesman	Des Moines, Iowa	16	x
L. P. Flickinger	District Salesman	Des Moines, Iowa	20	
John A. Harrison	District Salesman	Des Moines, Iowa	10	x
B. E. Hancock	District Salesman	Des Moines, Iowa	20	x
L. W. Karr	Salesmanager	Des Moines, Iowa	28	x
B. M. Knight	District Salesman	Des Moines, Iowa	10	x
Henry R. Lyle, Jr.	Territory Salesman	Des Moines, Iowa	10	
J. W. McBurney	District Salesman	Des Moines, Iowa	10	x
Thane Merrill	Territory Salesman	Des Moines, Iowa	5	
Louis H. Ostrom	District Salesman	Des Moines, Iowa	15	
Mountain Division				
Paul E. Austin	District Salesman	Denver, Colo.	20	x
C. F. Bathke	District Salesman	Denver, Colo.	3	
George L. Fouke	District Salesman	Denver, Colo.	25	
W. O. Garwood	District Salesman	Denver, Colo.	10	
Jack Greenwalt	District Salesman	Denver, Colo.	10	x
W. B. Kilgore	Salesmanager	Denver, Colo.	50	x
A. G. Sallen	Territory Salesman	Denver, Colo.	20	

List of key employees of Ralston Purina Company who purchased common stock of the company at \$55 per share as of Oct. 3, 1949—Continued

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares purchased	Stockholders (self or immediate family) at time of purchase (X)
SALIS—Con.				
<i>North Central States Division</i>				
Carl W. Anderson	District Salesman	Minneapolis, Minn.	5	
H. E. Bilgrien	District Salesman	Minneapolis, Minn.	20	
James N. Dalton	District Salesman	Minneapolis, Minn.	10	
Eric K. Engman	Territory Salesman	Minneapolis, Minn.	10	
Lucille Henriksen	Secretary	Minneapolis, Minn.	10	X
Glenn R. Hicks	District Salesman	Minneapolis, Minn.	10	
Harold Holl	District Salesman	Minneapolis, Minn.	10	
N. L. Purcell	District Salesman	Minneapolis, Minn.	5	X
Erdman Reichart	District Salesman	Minneapolis, Minn.	15	
K. L. Thompson	District Salesman	Minneapolis, Minn.	10	X
C. P. Williamson	District Salesman	Minneapolis, Minn.	10	X
<i>Western States Division</i>				
A. D. Adair	District Salesman	Kansas City, Mo.	10	X
C. C. Armstrong	District Salesman	Kansas City, Mo.	100	X
J. W. Carter	District Salesman	Kansas City, Mo.	20	X
Dorothy Dieckman	Secretary	Kansas City, Mo.	10	X
G. L. James	Salesmanager	Kansas City, Mo.	100	X
O. C. King	District Salesman	Kansas City, Mo.	50	X
R. E. Moser	District Salesman	Kansas City, Mo.	20	X
W. D. Noakes	District Salesman	Kansas City, Mo.	10	
E. B. Repogle	District Salesman	Kansas City, Mo.	20	X
A. B. Schaefer	District Salesman	Kansas City, Mo.	5	X
Edward H. Shores	District Salesman	Kansas City, Mo.	20	
Omar J. Strout	Territory Salesman	Kansas City, Mo.	5	
W. W. Ward	District Salesman	Kansas City, Mo.	15	
ST. LOUIS GENERAL OFFICE				
C. R. Bankhead	Mgr. Livestock Chow Sales, Grainbelt Western Region.	Kansas City, Mo.	50	X
J. E. Hoff	Mgr. Poultry Chow Sales, Grainbelt Western Region.	Kansas City, Mo.	40	X
B. R. McCrory	Mgr. Special Chows, Grainbelt Western Region.	Kansas City, Mo.	15	X
Helen Miller	Sec'y. Sales Manager, Grainbelt Western Region.	Kansas City, Mo.	20	X
E. B. Pratt	Mgr. Dairy Chow Sales, Grainbelt Western Region.	Kansas City, Mo.	20	X
SOUTHERN REGION				
<i>Nashville Division</i>				
G. S. Crowe	District Salesman	Nashville, Tenn.	20	X
C. I. Doss	District Salesman	Nashville, Tenn.	50	X
Ira Fears	District Salesman	Nashville, Tenn.	40	X
R. H. Jarrett	District Salesman	Nashville, Tenn.	50	X
H. L. Olyniec	District Salesman	Nashville, Tenn.	20	X
Harold Shelburne	Territory Salesman	Nashville, Tenn.	50	
James F. Short	District Salesman	Nashville, Tenn.	8	
Jack Streetman	Salesmanager	Nashville, Tenn.	50	X
J. H. Watson	District Salesman	Nashville, Tenn.	25	X
<i>South Atlantic Division</i>				
H. G. Bolton	District Salesman	Charlotte, N. C.	20	X
Hollis Franks	District Salesman	Charlotte, N. C.	100	X
Lyle Leichter	District Salesman	Charlotte, N. C.	100	
Heath B. Marsh	District Salesman	Charlotte, N. C.	70	X
J. V. McAllister	District Salesman	Charlotte, N. C.	20	X
William L. Smith	District Salesman	Charlotte, N. C.	10	
C. O. White	District Salesman	Charlotte, N. C.	50	X

List of key employees of Ralston Purina Company who purchased common stock of the company at \$55 per share as of Oct. 3, 1949—Continued

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares purchased	Stockholders (self or immediate family) at time of purchase (X)
SALES—CON.				
<i>South Central Division</i>				
J. H. Branch	Salesmanager	Memphis, Tenn.	70	X
John H. Clemmons	District Salesman	Memphis, Tenn.	2	
C. M. Close	District Salesman	Memphis, Tenn.	100	X
Warren Garrard, Jr.	Territory Salesman	Memphis, Tenn.	10	
T. H. Hagan	District Salesman	Memphis, Tenn.	10	
J. E. Ruffin	District Salesman	Memphis, Tenn.	1	
Jesse R. Stone	District Salesman	Memphis, Tenn.	10	
R. C. Trice	District Salesman	Memphis, Tenn.	10	
Hollis Turner	Territory Salesman	Memphis, Tenn.	20	
T. E. Veitch	District Salesman	Memphis, Tenn.	50	X
Maurice Wilson	Territory Salesman	Memphis, Tenn.	2	
<i>Southeastern States Division</i>				
C. M. Allen	District Salesman	Jacksonville, Fla.	10	X
L. C. Cardinal	District Salesman	Jacksonville, Fla.	50	X
R. L. Carter, Jr.	District Salesman	Jacksonville, Fla.	40	X
H. A. Higginbotham	District Salesman	Jacksonville, Fla.	20	
J. E. Hinchaw	Salesmanager	Jacksonville, Fla.	137	X
H. M. Nonnemacher	District Salesman	Jacksonville, Fla.	25	X
Tom Preston	District Salesman	Jacksonville, Fla.	7	X
W. E. Sherrell	District Salesman	Jacksonville, Fla.	25	X
C. O. Stephens, Jr.	District Salesman	Jacksonville, Fla.	5	
J. Q. Tilghman	District Salesman	Jacksonville, Fla.	10	X
James M. Warnock	Territory Salesman	Jacksonville, Fla.	5	
<i>Texas Division</i>				
O. L. Cooper	District Salesman	Austin, Tex.	10	X
C. W. Crawley	Territory Salesman	Austin, Tex.	10	
John T. Frazier	District Salesman	Austin, Tex.	20	X
O. W. Hampton	District Salesman	Austin, Tex.	20	
Sam H. Morrill	District Salesman	Austin, Tex.	10	
R. Lyles Payne	Territory Salesman	Austin, Tex.	10	
Arch Price	District Salesman	Austin, Tex.	75	X
R. C. Scott	District Salesman	Austin, Tex.	100	X
Jack Turner	District Salesman	Austin, Tex.	15	
ST. LOUIS GENERAL OFFICE				
Dorsey Guthrie	Mgr. Special Product Sales, Southern Region.	St. Louis, Mo.	25	X
Carl Leupold	Merchandise Mgr., Southern Region.	St. Louis, Mo.	30	X
Kathleen O'Rourke	Secy. Sales Manager	St. Louis, Mo.	2	
J. B. Pullen	Sales Mgr. Livestock Sales, Southern Region.	St. Louis, Mo.	70	X
ST. LOUIS GENERAL STAFF				
Beryl Campbell	Asst. to Gen'l. Sales Mgr.	St. Louis, Mo.	18	X
C. S. Coyle	Mgr. Custom Mixing Div.	St. Louis, Mo.	20	X
George Otto	Mgr. Dealef Store Management.	St. Louis, Mo.	25	X
E. M. Putney	Vice Pres.-Gen'l. Mgr. Chow Sales.	St. Louis, Mo.	100	X
Harry Scott	Mgr. Export Sales Div.	St. Louis, Mo.	60	X
Fletcher Smith	Mgr. Northern Div. Check-R-Board Stores.	St. Louis, Mo.	35	X
Harry Stein	Mgr. Southern Div. Check-R-Board Stores.	St. Louis, Mo.	30	
S. C. Wise	Mgr. Dealer Money Management Div.	St. Louis, Mo.	10	X
EXECUTIVE SPECIAL				
Donald Danforth	President	St. Louis, Mo.	100	X
Evelyn Leatherbury	Secy. to Chairman of the Board.	St. Louis, Mo.	50	X
Tom Roe	Asst. to Chairman of the Board	St. Louis, Mo.	10	X

PRETRIAL CONFERENCE EXHIBIT E

List of key employees of Ralston Purina Company who purchased common stock of the Company at \$70 per share as of Sept. 22, 1950

Total number of names 411
 Number who were previously stockholders (73%) 300
 Total number of shares 9,659

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares purchased	Stockholders (self or immediate family) at time of purchase (x)
*ADVERTISING				
W. R. Boulware	Senior Asst., Advertising	St. Louis, Mo.	6	x
W. D. Bowie	Supervising Copywriter	St. Louis, Mo.	30	x
W. D. Brockman	Mgr., Censor & Records Division, Promotion Dept.	St. Louis, Mo.	10	x
R. L. Eskridge	Editor, Dealer Publications	St. Louis, Mo.	5	
C. C. Fawcett	Manager, Art Division, Promotion Dept.	St. Louis, Mo.	22	x
W. P. Hays	Asst. Director of Advertising	St. Louis, Mo.	50	x
E. H. Hoy	Senior Artist	St. Louis, Mo.	2	x
M. E. Mallin	Mgr., Chow Advertising Div., Promotion Dept.	St. Louis, Mo.	30	x
John McGinty	Mgr., Promotion Div., Promotion Dept.	St. Louis, Mo.	80	x
W. J. Sims	Mgr., Special Promotions Div., Promotion Dept.	St. Louis, Mo.	15	x
BUYING				
Volley Bransom	Mgr., Ingredient Supply Dept.	St. Louis, Mo.	30	x
John Brown	Asst. Mgr., Soybean Section, Buying Department	St. Louis, Mo.	28	x
E. A. Cayce	Vice President (Purchasing)	St. Louis, Mo.	100	x
R. H. Dean	Mgr., Grain Buying	St. Louis, Mo.	100	x
William Krause	Mgr., Pricing Div., Buying Dept.	St. Louis, Mo.	50	x
Herbert S. Meredith	Asst. Mgr., Pricing Div., Buying Dept.	St. Louis, Mo.	10	x
Harm D. Peters	Senior Grain Merchandiser	St. Louis, Mo.	10	x
Harold Robson	Purchasing Agent	St. Louis, Mo.	8	x
John J. Skapik	Asst. to Mgr., Bag Supply Dept.	St. Louis, Mo.	10	x
Frank Tully	Purchasing Agent	St. Louis, Mo.	15	x
Donald Walker	Mgr., Soybean Div., Buying Dept.	St. Louis, Mo.	100	x
CEREAL				
Elspeth Bennett	Mgr. Nutrition Service	St. Louis, Mo.	5	x
M. G. Cridler	Business Mgr., Office Div.	St. Louis, Mo.	50	x
Jack Dallas	District Salesman	San Francisco, Calif.	22	x
Herbert DeBoer	District Salesman	Seattle, Wash.	20	x
James Donahue	District Salesman	Memphis, Tenn.	15	
R. L. Henry	District Salesman	Atlanta, Ga.	15	x
W. W. Knorr	District Salesman	Syracuse, N. Y.	20	x
C. A. McCray	Asst. District Salesman	Philadelphia, Pa.	12	x
R. C. Morgan	District Salesman	New York, N. Y.	25	x
K. K. Pauley	Asst. District Salesman	New York, N. Y.	15	x
Wesley J. Pence	District Salesman	Cleveland, Ohio	10	x
Jack Perkins	Asst. District Salesman	Cleveland, Ohio	5	x
Don Pickard	District Salesman	Minneapolis, Minn.	34	x
A. O. Robertson	District Salesman	Fort Worth, Tex.	25	x
Robert Siler	Asst. District Salesman	Detroit, Mich.	7	
Clifford Siverson	Asst. District Salesman	Los Angeles, Calif.	5	x
EXECUTIVE SPECIAL				
Evelyn Leatherbury	Secretary of Chairman of the Board	St. Louis, Mo.	50	x
Tom Roe	St. Asst. to Chairman of the Board	St. Louis, Mo.	15	x
Vivian Thompson	Secretary to the President	St. Louis, Mo.	10	x

List of key employees of Ralston Purina Company who purchased common stock of the Company at \$70 per share as of Sept. 22, 1950—Continued

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares purchased	Stockholders (self or immediate family (at time of purchase (x)
FINANCIAL				
Earl Alexander	Asst. Mgr., Accounting Dept.	St. Louis, Mo.	20	x
Carl Bacon	Mgr., Budget Division	St. Louis, Mo.	10	x
Melvin Bahle	Accountant	St. Louis, Mo.	15	
Paul Baichly	Division Mgr., Chow Credit	St. Louis, Mo.	5	x
Robert Bliss	Asst., General Consumer Credit	St. Louis, Mo.	10	
S. M. Cole	Mgr., General Cereal Order-Credit Div.	St. Louis, Mo.	10	x
Cottrell Fox	Senior Lawyer	St. Louis, Mo.	5	x
George Gillespie	Accountant	St. Louis, Mo.	15	x
U. I. Harris	Jr. Assistant, Finance	St. Louis, Mo.	4	
Maxine Hasbrouck	Secretary to Treasurer	St. Louis, Mo.	6	x
Forrest Heacock	Mgr., Analytical Section, Sales Record Div.	St. Louis, Mo.	10	x
Julian Hoffman	Asst. Mgr., Auditing Div.	St. Louis, Mo.	10	x
Robert Jasper	Analyst, Budget Division	St. Louis, Mo.	5	x
Fred Jrdell	Senior Lawyer	St. Louis, Mo.	10	x
George Muehthausen	Asst. Mgr., General Consumer Credit and Adjustment Div.	St. Louis, Mo.	5	x
L. B. Murdock	Asst. Secretary, and Manager of Tax and Corporate Dept.	St. Louis, Mo.	33	x
Helen Neiger	Secretary to Vice President	St. Louis, Mo.	6	x
C. W. Scheele	Auditor	St. Louis, Mo.	5	
E. R. Siler	Treasurer	St. Louis, Mo.	93	x
A. M. Stevens	Mgr., General Consumer Credit and Adjustment Division	St. Louis, Mo.	20	x
A. P. Truex	Mgr., Sales Records Division	St. Louis, Mo.	7	x
PERSONNEL				
W. A. Crutcher	Mgr., Planning Division	St. Louis, Mo.	1	
F. W. Huntington	Vice President (Personnel)	St. Louis, Mo.	220	x
A. W. Moise	Director of Personnel	St. Louis, Mo.	150	x
J. E. Schoppin	Mgr., Ad-Service Dept.	St. Louis, Mo.	3	x
Joseph Whealen	Mgr., Office Supply Dept.	St. Louis, Mo.	3	x
PRODUCTION				
ST. LOUIS OFFICE, LABORATORIES, AND RESEARCH FARMS				
T. R. Atchison	Mgr., General Traffic Dept.	St. Louis, Mo.	50	x
Wm. Brew	Mgr., Organic Research Laboratories	St. Louis, Mo.	10	x
D. K. English	Mgr., Engineering Dept.	St. Louis, Mo.	85	x
K. E. Garrison	Division Production Manager	St. Louis, Mo.	200	x
D. L. Grant	Division Production Manager	St. Louis, Mo.	105	x
Rupert Green	Mgr., Research Farm	St. Louis, Mo.	15	x
Douglas Hale	Mgr., Cereal Development Div.	St. Louis, Mo.	15	x
Cecil Hite	Dept. Mgr., Research Farm	St. Louis, Mo.	5	x
H. T. James	Soybean Production Manager	St. Louis, Mo.	10	x
Emmet Johnson	Asst. Mgr., Product Control Dept.	St. Louis, Mo.	50	x
J. F. Jones	Division Production Manager	St. Louis, Mo.	50	x
A. N. Kuelper	Dept. Mgr., Research Farm	St. Louis, Mo.	3	
George T. Lanz	Research Engineer	St. Louis, Mo.	10	x
N. J. Martin	Division Engineer	St. Louis, Mo.	15	x
James McCann	Fire Prevention Engineer	St. Louis, Mo.	5	x
W. B. Millhollen	Dept. Mgr., Research Farm	St. Louis, Mo.	5	
A. J. O'Brien	Mgr. Personnel, Production Dept.	St. Louis, Mo.	60	x
C. R. Perdue	Dept. Mgr., Research Farm	St. Louis, Mo.	5	x
T. J. Potts	Mgr. Analytical Laboratories	St. Louis, Mo.	4	x
R. E. Rowland	Vice President (Production)	St. Louis, Mo.	1,225	x
H. C. Schaefer	Mgr., Special Chow Research	St. Louis, Mo.	30	x

List of key employees of Ralston Purina Company who purchased common stock of the Company at \$70 per share as of Sept. 22, 1950—Continued

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares purchased	Stockholders (self or immediate family) at time of purchase (x)
PRODUCTION—CON.				
ST. LOUIS OFFICE, LABORATORIES, AND RESEARCH FORMS—CON.				
W. C. Schofield	Asst. Mgr., Disease Control & Sanitation Research Laboratories	St. Louis, Mo.	25	x
Wm. C. Sherman	Mgr., Biological Research Laboratories	St. Louis, Mo.	3	x
Harold Sleight	Mgr., Farm Management Div.	St. Louis, Mo.	2	x
Clifford Smith	Engineer, Utilities Div.	St. Louis, Mo.	5	x
R. E. Spangler	Asst. Mgr., Research Farm	St. Louis, Mo.	5	
George Steel	Mgr., Safety and Training, Production Department	St. Louis, Mo.	25	x
Wallace Taylor	Mgr., Research Records Dept.	St. Louis, Mo.	2	x
C. A. Tolin	Division Production Manager	St. Louis, Mo.	70	x
John Wear	Mgr., Research Farm	St. Louis, Mo.	10	x
Claude Welch	Mgr., Products Control Dept.	St. Louis, Mo.	75	x
Harold Wilcke	Asst. Director of Research	St. Louis, Mo.	25	x
John Wright	Division Engineer Research	St. Louis, Mo.	22	x
CENTRAL PLANTS				
<i>Bloomington, Ill.</i>				
D. A. Bremer	Power Engineer	Bloomington, Ill.	5	
N. B. Morey	Manager	Bloomington, Ill.	25	x
Bruce Neil	Extraction Plant Supt.	Bloomington, Ill.	10	
John T. O'Conner	Buyer	Bloomington, Ill.	10	x
Dale Rowland	Stock Dept. Manager	Bloomington, Ill.	3	
Vernon Tracy	Millwright Foreman	Bloomington, Ill.	6	
Dunkin Welte	Elevator Supt.	Bloomington, Ill.	10	
F. D. Wiegardt	Traffic Manager	Bloomington, Ill.	5	x
<i>Fort Worth, Tex.</i>				
Chas. DeVol	Order-Credit Manager	Fort Worth, Tex.	4	x
John Turner	Accounting Dept. Mgr.	Fort Worth, Tex.	10	
<i>Iowa Falls, Iowa</i>				
Harold Bell	Order Dept. Manager	Iowa Falls, Iowa	1	
B. A. Beck	Accountant	Iowa Falls, Iowa	10	
Merton Caruth	Chow Foreman	Iowa Falls, Iowa	1	
H. N. Johnson	Manager	Iowa Falls, Iowa	20	x
Arno Tagge	Assistant Manager	Iowa Falls, Iowa	4	x
<i>Kansas City, Mo.</i>				
L. G. Hill	Office Manager	Kansas City, Mo.	6	x
E. G. Hotchkiss	Assistant Manager	Kansas City, Mo.	25	x
Charles Huber	Stock Foreman	Kansas City, Mo.	3	x
Louis Looney	Traffic Manager	Kansas City, Mo.	2	
LeRoy Marolf	Shipping Foreman	Kansas City, Mo.	4	
David Mattson	Maintenance Assistant	Kansas City, Mo.	2	
Lynn E. Stuart	Office Production Asst.	Kansas City, Mo.	5	x
<i>Lubbock, Tex.</i>				
Joe Botik	Traffic Office Manager	Lubbock, Tex.	5	
Eric Carlson	Manager Standards Dept.	Lubbock, Tex.	10	
Donaki Fischer	Asst. Mgr., Standards Dept.	Lubbock, Tex.	5	
<i>Minneapolis, Minn.</i>				
T. M. Donnell	Accounting Dept. Mgr.	Minneapolis, Minn.	2	
Gordon Ekberg	Loading Foreman	Minneapolis, Minn.	2	x
Ervin Lang, Jr.	Buyer	Minneapolis, Minn.	2	
R. L. Ranney	Superintendent	Minneapolis, Minn.	9	x
Folke Olson	Stock Foreman	Minneapolis, Minn.	5	x
A. C. Weberg	Manager	Minneapolis, Minn.	20	x

List of key employees of Ralston Purina Company who purchased common stock of the Company at \$70 per share as of Sept. 22, 1950—Continued

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares purchased	Stockholders (self or immediate family (at time of purchase (x)
PRODUCTION—Con.				
<i>Omaha, Nebr.</i>				
Dewey Agnew	Superintendent	Omaha, Nebr.	5	x
Roy Bernhardt	Stock Foreman	Omaha, Nebr.	2	x
Donald Brown	Order Dept. Manager	Omaha, Nebr.	1	
Lloyd Grover	Production Foreman	Omaha, Nebr.	2	x
William Heebner	Office Manager	Omaha, Nebr.	4	
Woodrow Megel	Night Foreman	Omaha, Nebr.	15	
T. F. Warshawer	General Foreman	Omaha, Nebr.	6	x
W. C. Wells	Manager	Omaha, Nebr.	50	x
<i>St. Louis, Mo.</i>				
Harry Colwell	Manager	St. Louis, Mo.	40	x
Eugene Hurst	Accountant	St. Louis, Mo.	4	
V. F. Kern	Mill Personnel Manager	St. Louis, Mo.	22	x
Fred Neil	Credit Dept. Manager	St. Louis, Mo.	25	x
Edward Nies	Accounting Dept. Manager	St. Louis, Mo.	20	x
<i>Wichita, Kans.</i>				
Frank Earnst	Production Foreman	Wichita, Kans.	5	x
O. P. Sherrill	Manager	Wichita, Kans.	10	x
EASTERN PLANTS				
<i>Buffalo, N. Y.</i>				
Donald Brown	Eastport Whse. Manager	Buffalo, N. Y.	2	
Charles Fisher	Stores Auditor	Buffalo, N. Y.	5	
Wallace Flack	Warehouse Manager	Buffalo, N. Y.	3	
Roger Hampton	Credit Manager	Buffalo, N. Y.	3	
James Hedrick	Superintendent	Buffalo, N. Y.	15	x
William Krieger	Stock Department Mgr	Buffalo, N. Y.	100	x
Phil Rizzo	Personnel Foreman	Buffalo, N. Y.	3	x
Carl Schnitzer	Tinsmith Foreman	Buffalo, N. Y.	30	x
Arthur Skibbe	Mill Production Trainee	Buffalo, N. Y.	10	x
W. P. Thornton	Assistant Buyer	Buffalo, N. Y.	10	x
Kenneth Thur	Traffic Manager	Buffalo, N. Y.	5	x
C. V. Wasmund	Accounting Manager	Buffalo, N. Y.	5	x
<i>Charlotte, N. C.</i>				
James Amos	Superintendent	Charlotte, N. C.	6	x
G. Brauch	Manager	Charlotte, N. C.	40	x
J. D. Martin	Production Foreman	Charlotte, N. C.	1	x
J. J. Warren	Order-Credit Manager	Charlotte, N. C.	3	
<i>Circleville, Ohio</i>				
A. V. Couch	Manager	Circleville, Ohio	35	x
R. T. Friend	Superintendent	Circleville, Ohio	11	x
Marion Steinhauser	Order-Credit Manager	Circleville, Ohio	2	x
<i>Lafayette, Ind.</i>				
R. M. Guenther	Manager	Lafayette, Ind.	50	x
Boyd W. Horn	Warehouse Manager	Lafayette, Ind.	3	
Roy Mansfield	Order Dept. Manager	Lafayette, Ind.	1	
John Quinlan	Mill Production Trainee	Lafayette, Ind.	3	
<i>Miami, Fla.</i>				
Rennie Berry	Superintendent	Miami, Fla.	3	x
James Lepine	Manager	Miami, Fla.	5	x
<i>Nashville, Tenn.</i>				
Joda Austin	Superintendent	Nashville, Tenn.	50	x
J. B. Blunt	Manager	Nashville, Tenn.	75	x
Young Deveraux	Stock and Accounting Mgr.	Nashville, Tenn.	10	

List of key employees of Ralston Purina Company who purchased common stock of the Company at \$70 per share as of Sept. 22, 1950—Continued

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares purchased	Stockholders (self or immediate family) at time of purchase (x)
PRODUCTION—Con.				
<i>Nashville, Tenn.</i>				
Frank Lloyd	Warehouse Manager	Nashville, Tenn.	12	
<i>Richmond, Ind.</i>				
Robert Dugan	General Foreman	Richmond, Ind.	1	
V. H. Frisch	Manager	Richmond, Ind.	10	x
Richard Spencer	Accountant	Richmond, Ind.	2	x
David Toschlog	Order Department Mgr.	Richmond, Ind.	2	x
<i>St. Johnsbury, Vt.</i>				
John MacKenzie	Mill Production Dept.	St. Johnsbury, Vt.	2	
James McKinley	Superintendent	St. Johnsbury, Vt.	10	x
Paul Munkittrick	Mill Office Manager	St. Johnsbury, Vt.	5	x
<i>Tampa, Fla.</i>				
F. J. Davis	Manager	Tampa, Fla.	10	x
H. L. Parr, Jr.	Order-Traffic Manager	Tampa, Fla.	2	x
<i>Wilmington, Del.</i>				
Moses Keller	Warehouse Manager	Wilmington, Del.	2	
D. F. Reeder	Manager	Wilmington, Del.	10	x
PACIFIC-MOUNTAIN PLANTS				
<i>Denver, Colo.</i>				
W. T. Chafee	Manager	Denver, Colo.	10	x
Donald Dornan	Maintenance Foreman	Denver, Colo.	1	
W. C. Horst	Accounting Dept. Mgr.	Denver, Colo.	5	
Laurence Johnson	Mill Office Manager	Denver, Colo.	1	
V. I. McLeod	Office Manager	Denver, Colo.	3	x
<i>Los Angeles, Calif.</i>				
J. P. Andrews	Manager	Los Angeles, Calif.	15	x
Walter J. Grauer	Maintenance Foreman	Los Angeles, Calif.	5	
Walter Kiesler	Traffic Manager	Los Angeles, Calif.	3	x
Robert Moffitt	Laboratory Manager	Los Angeles, Calif.	3	x
<i>Oakland, Calif.</i>				
W. R. Arends	Manager	Oakland, Calif.	100	x
Francis Doyle	Mill Office Manager	Oakland, Calif.	3	
Delbert Jarman	Production Foreman	Oakland, Calif.	1	
O. A. Kern	Mill Foreman	Oakland, Calif.	3	
Edwin Murray	Superintendent	Oakland, Calif.	20	x
R. A. Palmer	Maintenance Foreman	Oakland, Calif.	1	
<i>Pocatello, Idaho</i>				
R. B. Brown	Order Dept. Manager	Pocatello, Idaho	3	
Harry Burkey	General Foreman	Pocatello, Idaho	5	
Harold Ory	Manager	Pocatello, Idaho	10	x
Charles Ward	Superintendent	Pocatello, Idaho	20	x
<i>Stockton, Calif.</i>				
Joseph Grijalva	Superintendent	Stockton, Calif.	10	x
<i>Visalia, Calif.</i>				
M. E. Staud	Manager	Visalia, Calif.	19	x

List of key employees of Ralston Purina Company who purchased common stock of the Company at \$70 per share as of Sept. 22, 1950—Continued

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares pur- chased	Stock- holders (self or immediate family) at time of purchase (x)
PRODUCTION—CON.				
CEREAL AND SANITA- TION PLANTS				
Battle Creek, Mich.				
Arthur Armstrong	Shipping Foreman	Battle Creek, Mich.	3	
Howard Bacon	General Night Foreman	Battle Creek, Mich.	3	x
William Barnes	Millwright Foreman	Battle Creek, Mich.	3	x
Joseph Berger	Asst. Superintendent	Battle Creek, Mich.	21	x
Richard Bromley	Personnel Manager	Battle Creek, Mich.	5	x
A. C. Dunn	Power Foreman	Battle Creek, Mich.	5	
Nelson Heydenberk	Order Dept. Manager	Battle Creek, Mich.	3	x
Richard Lind	Engineer	Battle Creek, Mich.	5	
Neal Nelson	Superintendent	Battle Creek, Mich.	14	x
Billie Seymour	Standards Dept. Manager	Battle Creek, Mich.	2	
Davenport, Iowa				
John Burrows	Manager	Davenport, Iowa	100	x
Edmund Cosby	Laboratory Manager	Davenport, Iowa	1	x
Robert Garwood	Ralston Miller	Davenport, Iowa	3	x
Eugene Hollen	Office Manager	Davenport, Iowa	16	x
Howard Judd	Can Plant Foreman	Davenport, Iowa	2	x
Harvey Keyoth	General Foreman—Cereals	Davenport, Iowa	2	x
Robert Lerigo	Grain Buyer	Davenport, Iowa	3	x
Louis Loufek	Cereal Foreman	Davenport, Iowa	2	x
William Mecker	General Foreman—Chows	Davenport, Iowa	5	x
Oliver Mohr	Chow Foreman	Davenport, Iowa	2	x
George Myers	Mill Production Trainee	Davenport, Iowa	4	x
Arthur Parke	Order Dept. Manager	Davenport, Iowa	2	x
Arnold Paulsen	Chow Loading Foreman	Davenport, Iowa	2	
Raymond Tomlinson	Maintenance Foreman	Davenport, Iowa	3	x
George VanHouten	Personnel Foreman	Davenport, Iowa	25	x
Ralph Vidal	Superintendent	Davenport, Iowa	25	x
J. L. Zimmerman	Order Traffic Manager	Davenport, Iowa	2	x
Ry-Krisp, Minne- apolis, Minn.				
E. K. Furness	Accountant	Minneapolis, Minn.	1	
Richard Partridge	Superintendent	Minneapolis, Minn.	5	x
Sanitation-Farm Supply				
Walter Barenkamp	Production Foreman	St. Louis, Mo.	2	x
A. S. Hemphill	Manager	St. Louis, Mo.	15	x
Fred Homfeldt	Mill Office Manager	St. Louis, Mo.	2	x
Alfred Jenisch	Office Manager	St. Louis, Mo.	5	x
Louis Noel	Superintendent	St. Louis, Mo.	10	x
Joseph Yakopovic	Order-Traffic Manager	St. Louis, Mo.	2	x
PUBLIC RELATIONS				
J. D. Sykes	Vice President (Public Rela- tions)	St. Louis, Mo.	75	x
Otis McIntosh	Director of Public Relations	St. Louis, Mo.	10	x
Marie Schaffer	Secretary to Vice President	St. Louis, Mo.	5	x
SALES				
ST. LOUIS GENERAL STAFF				
Harold Arthur	Assistant, Sales Training	St. Louis, Mo.	10	
Roy Brandenburger	Mgr., Sanitation-Farm Sup- ply Div.	St. Louis, Mo.	100	x
Beryl Campbell	Business Mgr., Sales Dept.	St. Louis, Mo.	40	x
Charles Coyle	Mgr., Custom Mixing and Chow mix Div.	St. Louis, Mo.	20	x

List of key employees of Ralston Purina Company who purchased common stock of the Company at \$70 per share as of Sept. 22, 1956—Continued

Name of employee	Title or payroll classification	Location of employee (by plant, division, of sales office)	Number of shares purchased	Stock- holders (self or immediate family) at time of purchase (1)
SALES—Con.				
C. W. Darby	Asst. Mgr., Sanitation-Farm Supply Div.	St. Louis, Mo.	50	X
Grace Kost	Secy. to Vice Pres., & Gen'l. Chow Sales Mgr.	St. Louis, Mo.	10	
E. M. Putney	Vice President & Gen'l. Chow Sales Mgr.	St. Louis, Mo.	300	X
Elmon Vickers	Mgr., Sales Training Div.	St. Louis, Mo.	50	
S. C. Wise	Mgr., Dealer Money Manage- ment Div.	St. Louis, Mo.	15	X
GRAIN BELT—WESTERN REGION				
<i>California Division</i>				
Redmond Cotter	District Salesman	Los Angeles, Calif.	10	X
Keith Elliott	District Salesman	Los Angeles, Calif.	25	
George Fouke	Asst. Div. Salesmanager	Los Angeles, Calif.	55	X
Clyde Hanley	District Salesman	Los Angeles, Calif.	20	X
Brice Johnson	District Salesman	Los Angeles, Calif.	10	
H. A. Mergendoller	Territory Salesman	Los Angeles, Calif.	7	X
D. C. Purcell	Division Sales Manager	Los Angeles, Calif.	100	X
Ernest Toms	Territory Salesman	Los Angeles, Calif.	14	
Keith Weltze	Mgr., Poultry Chows and Sanitation Products.	Los Angeles, Calif.	40	X
<i>Central States Division</i>				
Benjamin Hall	Territory Salesman	St. Louis, Mo.	10	
Ray Hopewell	District Salesman	St. Louis, Mo.	10	X
John Wunderlich	District Salesman	St. Louis, Mo.	15	X
James Dixon	District Salesman	St. Louis, Mo.	10	X
Horace Boyd	Territory Salesman	St. Louis, Mo.	10	X
K. S. Albrecht	Territory Salesman	St. Louis, Mo.	6	
<i>Missouri—Iowa Division</i>				
Harry W. Allen	District Salesman	Des Moines, Iowa	10	X
C. E. Ferguson	Territory Salesman	Des Moines, Iowa	10	
L. W. Karr	Division Sales Manager	Des Moines, Iowa	100	X
Henry Lyle, Jr.	Territory Salesman	Des Moines, Iowa	5	X
Thane Merrill	Territory Salesman	Des Moines, Iowa	2	X
Don M. Minert	District Salesman	Des Moines, Iowa	4	
Charles Steinhauer	District Salesman	Des Moines, Iowa	25	X
Russell Thomas	District Salesman	Des Moines, Iowa	20	
Harry Van DePol	District Salesman	Des Moines, Iowa	1	
<i>Mountain States Division</i>				
Paul E. Austin	District Salesman	Denver, Colo.	20	X
Howard Blegert	District Salesman	Denver, Colo.	10	
W. O. Garwood	District Salesman	Denver, Colo.	10	X
Faul A. Gerhart	District Salesman	Denver, Colo.	10	
Jack Greenwalt	District Salesman	Denver, Colo.	10	X
Henry Hasse	District Salesman	Denver, Colo.	4	
<i>North Central States Division</i>				
Eric Engman	Territory Salesman	Minneapolis, Minn.	10	X
Glenn Hicks	District Salesman	Minneapolis, Minn.	10	X
Harold Holl	District Salesman	Minneapolis, Minn.	10	X
Glenn Thoeny	Territory Salesman	Minneapolis, Minn.	12	
C. Morris Thorson	District Salesman	Minneapolis, Minn.	3	

List of key employees of Ralston Purina Company who purchased common stock of the Company at \$70 per share as of Sept. 22, 1950—Continued

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Num- ber of shares pur- chased	Stock- holders (self or immediate family) at time of purchase (1)
SALES—Con.				
<i>Western States Division</i>				
A. D. Adair	District Salesman	Kansas City, Mo.	25	X
C. C. Armstrong	District Salesman	Kansas City, Mo.	75	X
Jack Benner	District Salesman	Kansas City, Mo.	25	
Dorothy Dieckman	Secy. to Salesmanager	Kansas City, Mo.	10	X
O. C. King	District Salesman	Kansas City, Mo.	25	X
Leonard Metz	District Salesman	Kansas City, Mo.	20	
E. H. Shores	District Salesman	Kansas City, Mo.	8	X
Omar J. Strout	Territory Salesman	Kansas City, Mo.	5	X
James L. Well	District Salesman	Kansas City, Mo.	3	X
GRAIN BELT—WEST- ERN REGION—GEN- ERAL STAFF				
C. R. Bankhead	Mgr., Livestock Chow and Sanitation Products Sales.	St. Louis, Mo.	70	X
J. E. Hoff	Mgr., Poultry Chow and Sanitation Product Sales.	St. Louis, Mo.	50	X
Helen Miller	Secy. to Regional Sales Mgr.	St. Louis, Mo.	15	X
E. B. Pratt	Mgr., Dairy Chow and San- itation Product Sales.	St. Louis, Mo.	25	X
H. J. Sugden	Mgr., Merchandising	St. Louis, Mo.	75	X
Emmet Williams	Asst. Division Salesmanager	St. Louis, Mo.	50	X
SOUTHERN REGION				
<i>Nashville Division</i>				
Forrest W. Crowe	District Salesman	Nashville, Tenn.	15	
G. S. Crowe	District Salesman	Nashville, Tenn.	20	X
Ray B. Davenport	District Salesman	Nashville, Tenn.	3	X
Ira Fears	District Salesman	Nashville, Tenn.	75	X
H. L. Olyniec	District Salesman	Nashville, Tenn.	5	X
James F. Short	District Salesman	Nashville, Tenn.	10	X
J. E. Streetman	Division Sales Manager	Nashville, Tenn.	50	X
J. Howard Watson	Store Manager	Chattanooga, Tenn.	25	X
<i>South Atlantic States Division</i>				
H. G. Bolton	District Salesman	Charlotte, N. C.	10	X
Hollis Franks	District Salesman	Charlotte, N. C.	25	X
Price Hutto	District Salesman	Charlotte, N. C.	5	
B. A. Mangum	District Salesman	Charlotte, N. C.	25	X
Heath B. Marsh	District Salesman	Charlotte, N. C.	25	X
J. V. McAllister, Jr.	District Salesman	Charlotte, N. C.	20	X
R. P. Oliver	Division Sales Manager	Charlotte, N. C.	90	X
Wm. L. Smith	District Salesman	Charlotte, N. C.	25	X
C. O. White	District Salesman	Charlotte, N. C.	25	X
<i>South Central States Division</i>				
J. H. Branch	Division Sales Manager	Memphis, Tenn.	25	X
John H. Clemmons	District Salesman	Memphis, Tenn.	2	X
C. M. Close	District Salesman	Memphis, Tenn.	25	X
W. M. Davidson	District Salesman	Memphis, Tenn.	20	
P. H. Johnson, Jr.	District Salesman	Memphis, Tenn.	15	
J. E. Ruffin	District Salesman	Memphis, Tenn.	5	X
J. R. Stoné	District Salesman	Memphis, Tenn.	10	X
Robert Trice	District Salesman	Memphis, Tenn.	10	X
Hollis Turner	Territory Salesman	Memphis, Tenn.	20	X
T. E. Veitch	District Salesman	Memphis, Tenn.	25	X
Maurice A. Wilson	District Salesman	Memphis, Tenn.	4	X

List of key employees of Ralston Purina Company who purchased common stock of the Company at \$70 per share as of Sept. 22, 1950—Continued

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares pur- chased	Stock- holders (self or immediate family) at time of purchase (x)
SALES—Con.				
<i>Southeastern States Division</i>				
Charles M. Allen	District Salesman	Jacksonville, Fla.	2	x
R. L. Carter, Jr.	District Salesman	Jacksonville, Fla.	25	x
H. I. Deloney	Territory Salesman	Jacksonville, Fla.	10	
L. S. Hamrick	Territory Salesman	Jacksonville, Fla.	10	
C. O. Stephens, Jr.	District Salesman	Jacksonville, Fla.	15	x
<i>Texas Division</i>				
T. H. Buckingham	District Salesman	Austin, Tex.	25	
Robert E. Curtis	District Salesman	Austin, Tex.	2	
R. Lyles Payne	Territory Salesman	Austin, Tex.	15	x
Arch Price	District Salesman	Austin, Tex.	150	x
G. W. Purcell	District Salesman	Austin, Tex.	25	x
John F. Schultz	Store Manager	Garland, Tex.	15	x
L. D. Stevens	District Salesman	Austin, Tex.	20	x
J. B. Windham	District Salesman	Austin, Tex.	10	
SOUTHERN REGION— GENERAL STAFF				
Warren Garrard, Jr.	Poultry Specialist	St. Louis, Mo.	5	x
Carl Leopold	Mgr., Merchandising	St. Louis, Mo.	25	x
J. B. Pullen	Mgr., Livestock Chow Sales	St. Louis, Mo.	30	x
C. R. Severson	Mgr., Poultry Chow Sales	St. Louis, Mo.	25	
EASTERN REGION				
<i>Central Atlantic States Division</i>				
J. D. Fowler	Territory Salesman	Baltimore, Md.	10	x
H. V. Ginn, Jr.	Territory Salesman	Baltimore, Md.	5	x
J. J. Gwaltney	Territory Salesman	Baltimore, Md.	15	x
C. A. Hauck	District Salesman	Baltimore, Md.	25	x
R. S. Keith	District Salesman	Baltimore, Md.	20	x
G. R. Richardson	Division Sales Manager	Baltimore, Md.	100	x
H. Clay Weaver, Jr.	District Salesman	Baltimore, Md.	10	x
A. S. Zerbe	District Salesman	Baltimore, Md.	25	x
<i>Lake States Division</i>				
Cary T. Hartman	District Salesman	Columbus, Ohio	10	x
J. H. Ralston	Division Sales Manager	Columbus, Ohio	50	x
Fred W. Schuler	District Salesman	Columbus, Ohio	23	x
<i>New England States Division</i>				
Stanley O. Baraw	District Salesman	Boston, Mass.	25	x
G. M. Cookman	District Salesman	Boston, Mass.	10	x
Warren L. Gray	District Salesman	Boston, Mass.	3	
Dwight Harlow	District Salesman	Boston, Mass.	25	x
Hollis Humphrey	Territory Salesman	Boston, Mass.	25	x
B. B. Hussey	Territory Salesman	Boston, Mass.	4	x
G. S. Osgood	Territory Salesman	Boston, Mass.	6	x
Thomas O'Toole	Territory Salesman	Boston, Mass.	8	x
Louis Peggam	Dog Chow Specialist	Boston, Mass.	5	x
A. W. Perry	Division Sales Manager	Boston, Mass.	50	x
C. J. Reylek	District Salesman	Boston, Mass.	15	x
Fred M. Smith	Territory Salesman	Boston, Mass.	1	

List of Key employees of Ralston Purina Company who requested an opportunity to purchase common stock of the Company in Sept. or Oct. 1951—Continued

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Num- ber of shares pur- chased	Stock- holders (self or immediate family) at time of purchase (x)
PRODUCTION—CON.				
<i>Kansas City, Mo.</i>				
D. H. Elmore	Credit Manager	Kansas City, Mo.	6	x
F. G. Franze	Asst. Secretary and Buyer	Kansas City, Mo.	6	x
David Mattson	Maintenance Trainee	Kansas City, Mo.	2	x
J. C. Skaggs	Manager	Kansas City, Mo.	30	x
Dorothy H. Webb	Accounting Dept. Mgr.	Kansas City, Mo.	4	x
<i>Lafayette, Ind.</i>				
Joseph F. Bonner	Asst. Manager	Lafayette, Ind.	6	x
Kenneth V. Carlson	Credit Manager	Lafayette, Ind.	3	
Ralph M. Guenther	Manager	Lafayette, Ind.	50	x
John K. Quinlan	General Foreman	Lafayette, Ind.	2	x
<i>Minneapolis, Minn.</i>				
R. L. Rainey	Superintendent	Minneapolis, Minn.	20	x
A. C. Weberg	Manager	Minneapolis, Minn.	20	x
Ralph Wittman	Traffic Manager	Minneapolis, Minn.	2	
<i>Nashville, Tenn.</i>				
Joda Austin	Superintendent	Nashville, Tenn.	50	x
John Blunt	Manager	Nashville, Tenn.	50	x
<i>Omaha, Nebr.</i>				
Roy Bernhardt	Stock Foreman	Omaha, Nebr.	2	x
<i>St. Louis, Mo.</i>				
George H. Appel	New Construction Foreman	St. Louis, Mo.	5	x
H. L. Colwell	Manager	St. Louis, Mo.	20	x
Alexander Gardner	Production Foreman	St. Louis, Mo.	10	x
L. D. Varbie	Office Manager	St. Louis, Mo.	5	x
<i>Wichita, Kans.</i>				
Forrest Heacock	Order-Credit Trainee	Wichita, Kans.	15	x
Harold J. King	Maintenance Foreman	Wichita, Kans.	1	
Chas. H. Peterson	Order-Credit Manager	Wichita, Kans.	3	
A. G. Richmond	Manager	Wichita, Kans.	15	x
WESTERN PLANTS.				
<i>Los Angeles, Calif.</i>				
Jerry Andrews	Manager	Los Angeles, Calif.	12	x
Robt. A. Moffitt	Laboratory Manager	Los Angeles, Calif.	2	x
<i>Oakland, Calif.</i>				
W. R. Arends	Manager	Oakland, Calif.	25	x
Francis A. Doyle	Mill Office Clerk	Oakland, Calif.	1	x
D. G. Jarman	Loading Foreman	Oakland, Calif.	1	x
O. A. Kern	Production Foreman	Oakland, Calif.	1	x
Richard A. Palmer	Maintenance Foreman	Oakland, Calif.	2	x
W. G. Raymond	Buyer	Oakland, Calif.	1	x
H. E. Zerweck	Office Manager	Oakland, Calif.	5	x
<i>Visalia, Calif.</i>				
Wm. C. Mecker	Manager	Visalia, Calif.	2	x

List of Key employees of Ralston Purina Company who requested an opportunity to purchase common stock of the Company in Sept. or Oct. 1951—Continued

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares purchased	Stock- holders (self or immediate family) at time of purchase (1)
PRODUCTION—CON.				
CEREAL PLANTS				
<i>Battle Creek, Mich.</i>				
Wm. Barnes	Maintenance Foreman	Battle Creek, Mich.	5	x
Nelson Heydenberk	Order Dept. Mgr.	Battle Creek, Mich.	1	x
John Meister	Manager	Battle Creek, Mich.	20	x
CEREAL PRODUCTS DEVELOPMENT				
Douglas Hale	Mgr., Cereal Products Development	St. Louis, Mo.	15	x
CHOW RESEARCH AND PRODUCT CONTROL				
R. M. Bethke	Vice President, Chow Research	St. Louis, Mo.	200	
W. B. Brew	Mgr., Organic Research Laboratories	St. Louis, Mo.	5	x
Charles E. Ellenberger	Chemist	St. Louis, Mo.		x
Herbert A. Graff	Asst. to Mgr., Product Control Dept.	St. Louis, Mo.	4	
Rupert A. Green	Mgr., Eastern Research Farm	Nashua, N. H.	4	x
C. C. Hite	Mgr., Records Div., Research Farm	Gray Summit, Mo.	5	x
M. H. McDonald	Asst. to Mgr., Product Control Dept.	St. Louis, Mo.	50	x
W. B. Mihollen	Mgr., Poultry Div., Research Farm	Gray Summit, Mo.	5	x
C. R. Perdew	Mgr., Dairy Div., Research Farm	Gray Summit, Mo.	20	x
T. J. Potts	Mgr., Analytical Labs	St. Louis, Mo.	3	x
Herbert Schaefer	Mgr., Special Chow Research	St. Louis, Mo.	10	x
Dorothy Schiek	Secy. to Vice Pres. (Research)	St. Louis, Mo.	1	x
Wm. Schofield	Asst. Mgr., Disease Control and Sanitation Res. Laboratories	St. Louis, Mo.	25	x
W. C. Sherman	Mgr., Biological Labs	St. Louis, Mo.	5	x
Herbert J. Smith	Research Consultant	St. Louis, Mo.	20	x
R. E. Spangler	Asst. Mgr., Research Farm	Gray Summit, Mo.	2	x
John M. Wear	Mgr., Research Farm	Gray Summit, Mo.	15	x
Harold L. Wilcke	Asst. Director of Research	St. Louis, Mo.	25	x
Roland Winterfield	Veterinarian	St. Louis, Mo.	5	
R. E. Woodward	Asst. to Mgr., Product Control Dept.	St. Louis, Mo.	5	x
ST. LOUIS GENERAL OFFICE				
L. C. Altmanberger	Mgr., Budget and Cost Div. Production Dept.	St. Louis, Mo.	10	x
Mary Jane Lynch	Secretary to Vice Pres. (Production)	St. Louis, Mo.	2	x
J. R. McCann	Mgr., Fire Prevention Sec., Production Dept.	St. Louis, Mo.	5	x
Claude F. Ross	Engineer	St. Louis, Mo.	5	x
C. B. Smith	Engineer	St. Louis, Mo.	4	x
G. H. Steel	Mgr., Safety and Training	St. Louis, Mo.	55	x
John R. Wright	Division Engineer	St. Louis, Mo.	15	x
SALES				
ST. LOUIS GENERAL STAFF				
C. W. Darby	Asst. Mgr., Sanitation Farm Supply Div.	St. Louis, Mo.	10	x
J. R. Pree	Asst. to Mgr., Sanitation Farm Supply Div.	St. Louis, Mo.	7	x
S. C. Wise	Mgr., Dealer Money Management Div.	St. Louis, Mo.	15	x

List of Key employees of Ralston Purina Company who requested an opportunity to purchase common stock of the Company in Sept. or Oct. 1951—Continued

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares purchased	Stockholders (self, or immediate family) at time of purchase (X)
SALES—CON.				
EASTERN REGION				
<i>General Staff</i>				
John Gearhart	Dairy Specialist	Columbus, Ohio	10	
H. V. Ginn	Dairy Specialist	Newark, Del.	5	X
John Hall	Manager, Training	St. Louis, Mo.	10	
A. H. Leonard	Mgr., Livestock, Chow and Sanitation Product Sales	St. Louis, Mo.	15	X
Irene Pitts	Secy. to Regional Sales Mgr.	St. Louis, Mo.	10	X
<i>Central Atlantic Division</i>				
F. L. Wickham	District Salesman	Baltimore, Md.	25	X
<i>Lake Division</i>				
J. B. Wilson	District Salesman	Columbus, Ohio	100	X
<i>New England Division</i>				
Wm. H. Hutchings	District Salesman	Boston, Mass.	25	X
Eric B. Johnson	District Salesman	Boston, Mass.	20	X
John Sweeney	Territory Salesman	Boston, Mass.	5	X
<i>North Atlantic Division</i>				
George Ash	District Salesman	Buffalo, N. Y.	10	X
Michael Barlow	District Salesman	Buffalo, N. Y.	5	
Floyd R. Blaser	Territory Salesman	Buffalo, N. Y.	20	X
C. D. Fales	Salesmanager	Buffalo, N. Y.	100	X
H. I. Frederick	District Salesman	Buffalo, N. Y.	30	X
Cari Frieholm	District Salesman	Buffalo, N. Y.	50	X
J. F. Hallinan	District Salesman	Buffalo, N. Y.	25	X
D. R. Hodgins	District Salesman	Buffalo, N. Y.	15	X
John B. Johnson	District Salesman	Buffalo, N. Y.	100	X
Wm. O. Matteson	District Salesman	Buffalo, N. Y.	10	
Clinton Meyer	District Salesman	Buffalo, N. Y.	20	X
Lee Van Atta	District Salesman	Buffalo, N. Y.	50	X
S. M. Wooley	District Salesman	Buffalo, N. Y.	35	X
<i>Shore Division</i>				
O. M. Avis	Territory Salesman	St. Louis, Mo.	10	X
J. A. Correll	District Salesman	St. Louis, Mo.	44	X
J. D. Davis	Territory Salesman	St. Louis, Mo.	40	X
Mc V. DeAntonellis	District Salesman	St. Louis, Mo.	10	X
C. M. Dryden	Territory Salesman	St. Louis, Mo.	50	X
C. J. Reylek	District Salesman	St. Louis, Mo.	50	X
Meade Summers	Salesmanager	St. Louis, Mo.	5	X
GRAINBELT REGION				
<i>Missouri-Kansas Division</i>				
H. V. Allen	District Salesman	Kansas City, Mo.	10	X
A. H. McDonald	District Salesman	Kansas City, Mo.	40	X
PACIFIC REGION				
D. C. Purcell	Regional Salesmanager	Los Angeles, Calif.	50	X

List of Key employees of Ralston Purina Company who requested an opportunity to purchase common stock of the Company in Sept. or Oct. 1951—Continued

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares purchased	Stock- holders (self or immediate family) at time of purchase (x)
SALES—Con.				
SOUTHERN REGION				
<i>South Central Division</i>				
J. H. Branch	Salesmanager	Memphis, Tenn.	25	x
P. E. Veitch	District Salesman	Memphis, Tenn.	50	x
<i>Nashville Division</i>				
G. S. Crowe	District Salesman	Nashville, Tenn.	50	x
Ralph Jarrett	District Salesman	Nashville, Tenn.	50	x
<i>South Atlantic Division</i>				
H. G. Bolton	District Salesman	Charlotte, N. C.	20	x
Hollis Franks	District Salesman	Charlotte, N. C.	37	x
C. O. White	District Salesman	Charlotte, N. C.	50	x
<i>Export Division</i>				
H. A. Scott	Salesmanager	St. Louis, Mo.	20	x
WESTERN REGION				
<i>Texas Division</i>				
Arch Price	District Salesman	Austin, Tex.	100	x
R. C. Scott	District Salesman	Austin, Tex.	50	x
CHECK-R-BOARD STORES				
<i>General Staff</i>				
John Huffman	Mgr., Construction & Equipment Section.	St. Louis, Mo.	50	
NEW ENGLAND STORES				
R. T. Alden	Store Mgr., Ellsworth, Me.	St. Johnsbury, Vt.	5	
Clifton England	Store Mgr., Orleans, Vt.	St. Johnsbury, Vt.	8	x
Jane Eikat	Asst. to Store Mgr., Norwich, Conn.	St. Johnsbury, Vt.	5	
Roger Plummer, Jr.	Store Mgr., Fitchburg, Mass.	St. Johnsbury, Vt.	2	
Bernard L. Young	Store Mgr., Portland, Me.	St. Johnsbury, Vt.	5	x
SOUTHERN STORES				
W. W. Holloway	Store Mgr., East Point, Ga.	St. Louis, Mo.	10	x
NORTHERN STORES				
P. L. Atkinson	Store Mgr., Watertown, N. Y.	St. Louis, Mo.	50	
John L. Brack	Store Mgr., Traverse City, Mich.	St. Louis, Mo.	2	
Robert J. Kaiser	Salesman—Traverse City, Mich.	St. Louis, Mo.	10	
Harold Scott	Store Mgr., Cobleskill, N. Y.	St. Louis, Mo.	50	
F. D. Smith	Mgr., Northern Division	St. Louis, Mo.	50	x
Gaines Smith	Store Mgr., Ashland, Ky.	St. Louis, Mo.	5	
SALES				
ST. LOUIS GENERAL STAFF				
H. Dorsey Guthrie	Mgr., Sanitation and Farm Supplies, Southern Region.	St. Louis, Mo.	10	x
Carl Leupold	Mdse. Mgr., Southern Region	St. Louis, Mo.	10	x

List of key employees of Ralston Purina Company who requested an opportunity to purchase common stock of the Company in Sept. or Oct. 1951—Continued

Name of employee	Title or payroll classification	Location of employee (by plant, division, or sales office)	Number of shares purchased	Stockholders (self or immediate family) at time of purchase (x)
SALES—Cen. GRAIN BELT—WESTERN REGION Central States Division				
Herbert B. Morris	District Salesman	St. Louis, Mo.	60	x
SOUTHERN REGION Nashville Division				
Ira L. Fears	District Salesman	Nashville, Tenn.	100	x

PRETRIAL CONFERENCE EXHIBIT G

Sales of special stock, 10/1/47

(Certificates E 6001 through E 6264) Price: \$47.50

Name	Shares bought	Shares sold	Date sold	Sale price
Otis P. Sherrill	20	10	11/4/48	-
*Wilfred J. Riley and Mary V. J. Riley, JTRS	30	30	5/19/48	-
*Buford H. Roberts	25	25	8/4/49	54
*Glenn C. Pittenger and Mildred S. Pittenger, JTRS	10	10	5/31/49	50
*David E. Ward	50	50	1/26/50	81
*James Wilkes Mathers and Ruth Catherine Louise Mathers, JTRS	10	10	1/16/50	81
***Charles Will Darby and Elizabeth B. Darby, JTRS	10	10	1/16/50	80
Gibson Graham and Mrs. Eleanor I. Graham, JTRS	20	20	9/6/49	-
**Leonard G. Ray and Mrs. Ruth I. Ray, JTRS	25	25	12/1/49	-
Louis A. Clements	10	10	7/21/48	-
*Virgil O. Wodicka and Helen K. Wodicka, JTRS	10	10	3/12/48	-
*Leon M. McCorkle	20	20	8/26/48	50
Mrs. Edith Kosfeld	12	12	5/2/50	75
*John T. O'Conner and Mrs. Velma E. O'Conner, JTRS	10	10	3/30/51	-
*J. Keith Lungren and Mrs. Mary L. Lungren, JTRS	35	35	9/12/50	77
*Donald C. Joy and Mrs. Vera L. Joy, JTRS	20	20	9/21/50	77
*J. T. Weaver and Mrs. Margaret E. Weaver, JTRS	10	10	7/6/50	80½
Total		317		

*Left Purina.

**Retired.

***Left Purina at time of sale, subsequently reemployed.

PRETRIAL CONFERENCE EXHIBIT H

Sale of special stock, 9/30/48

Ralston Purina Company (Treasury Account) stock (Certificates E 6833 through E 6846, E 6850, E 6854 through E 6860, and E 6863 through E 6867). Price: \$50.00

Name	Shares bought	Shares sold	Date sold	Sale price
------	---------------	-------------	-----------	------------

No shares sold.

PRETRIAL CONFERENCE EXHIBIT I

Sale of special stock, 10/3/49

[New Issue Stock]

(Certificates E 8401 through E 8851) Price: \$35.00

Name	Shares bought	Shares sold	Date sold	Sale price
*Harold Shelburne	50	40	4/11/50	
*John J. Southcott, Jr., and Mrs. Barbara M. Southcott, JTRS	2	2	10/24/50	
Clifford B. Smith and Emma Irene Smith, JTRS	6	1	2/6/51	
*John T. O'Conner and Mrs. Velma E. O'Conner, JTRS	10	10	3/30/51	
**Adelina E. Kuehn and Eleanor A. Kuehn, JTRS	5	5	3/21/51	80
*Eleanor A. Kuehn and Adelina E. Kuehn, JTRS	5	5	3/21/51	80
*Carl W. Anderson and Idabelle Corella Anderson, JTRS	5	5	6/1/51	79
*W. W. Ward and Helen G. Ward, JTRS	15	15	9/10/51	79 1/2
**George J. Myers	6	6	2/20/51	81
Total		80		

*Left Purina.

**Bought home.

PRETRIAL CONFERENCE EXHIBIT J

Sale of special stock, 9/22/50

(Certificates E 9001 through E 10029 also E 10036, E 10037, E 10047)
Ralston Purina Company New Issue Stock Price: \$70.00

Name	Shares bought	Shares sold	Date sold	Sale price
*Keith B. Elliott and Mrs. Edwina Elliott, JTRS	25	25	4/9/51	78
*John T. O'Conner and Mrs. Velma E. O'Conner, JTRS	10	10	6/19/51	81
**George J. Myers	4	4	2/20/51	81
*Lester G. Hill and Carrie R. Hill, JTRS	6	6	5/2/51	80
Total		45		

*Left Purina.

**Bought home.

PRETRIAL CONFERENCE EXHIBIT K

COPY OF RESOLUTION DATED SEPTEMBER 11, 1951, REFERRED TO IN
THE FIRST PARAGRAPH OF PRETRIAL STIPULATION

"Resolved, that Mr. Donald Danforth, Mr. Lewis B. Stuart or Mr. E. R. Siler be and each of them is hereby authorized to sell at \$80 a share, not to exceed 10,000 shares of the authorized but unissued common stock of Ralston Purina Company to employees of Ralston Purina Company or Ralston Purina Company of Canada, Ltd., who shall, without any solicitation by the Company or its officers or employees, inquire of any of them as to how to purchase common stock of Ralston Purina Company; provided, however, that if such officer is able to purchase such stock for less on the open market he is authorized to purchase stock for such employee on the open market at such lesser price; provided further that this authorization shall terminate December 31, 1951."

Total compensation ranges of Ralston employees shown on the lists of stock purchased in 1947-48-49-50 and stock requested in 1951

Year of list	High	Low
1947	\$66,500.00	\$3,195.00
1948	55,000.00	4,725.00
1949	80,000.00	2,700.00
1950	71,000.00	2,435.00
1951	43,000.00	3,107.00

[CAPTION]

Memorandum

This action, initiated by the Securities and Exchange Commission, resulted in a preliminary injunction, by agreement, restraining defendant, Ralston Purina Company, from proceeding with the offering and sale of its \$25.00 par value common stock. Plaintiff, after trial, seeks to have the injunction made permanent.

Section 5 (a) of the Securities and Exchange Act (15 U. S. C. A. § 77e) prohibits the offer or sale of any security in interstate commerce or through the mails unless a registration statement as to such security is in effect with the Securities and Exchange Commission, plaintiff in this action. Section 4 (1) of the Act (15 U. S. C. A. § 77d (1))^{*} provides that transactions by an issuer not involving any public offering are exempt from the provisions of Section 5 (a) (1) of the Act. Whether the stock issue in question was public or private is the issue in this case. Defendant claims it was not a public offering.

There is no conflict in the evidence. Defendant was organized in 1894. It had a small beginning. It manufactures and sells mixed feeds for poultry and livestock, and cereal for human consumption. It now has thirty-six feed mills, six soybean processing plants, three cereal plants, many warehouses and grain elevators and seventy-nine retail feed and farm supply stores. Approximately seven thousand people are employed. Net sales for the fiscal year ending September 30, 1951 exceeded \$340,000,000.

Since 1942 the company has offered stock ownership to employees who could meet its test of "key employees". The company has from time to time paid a "President's bonus" to certain "key employees", and such employees, with rare exceptions, used the bonuses to purchase stock offerings made to them.

^{*} "The provisions of Section 77e of this title shall not apply to any of the following transactions: (1) * * * transactions by an issuer not involving any public offering. * * *

Defendant's Executive Vice President gave the following as explanatory of what defendant means by the term "key employees", i. e., "those who were officers, department heads, assistants to a department head, or other employees whom the Company considered eligible for future promotion to a position of greater responsibility in an administrative, production, personnel, advertising, sales or research department—one who was ambitious and likely to develop and grow with the Company's business and who exercised special influence upon other employees and was a leader and advisor to other employees and was sympathetic to management."

To carry out its purpose of selling stock to "key employees" the defendant made known to its various managers and heads of departments a proposed stock offering. There was never any solicitation. The managers were depended upon to select "key employees" in their various departments, below their rank, after the company executives had conferred with the managers and outlined the matters to be considered in making selections. After the selections were made a notice was given of the stock offering. From the exhibits offered we conclude that since 1947, with total employees of approximately 7,000, purchases were made in 1947 by 243 employees; in 1948 by 20 employees; in 1949 by 414 employees; in 1950 by 411 employees. For 1951 there were applications to purchase by 165 employees. It is the latter sales that were stopped by this litigation. There were applications made by employees to whom no sales were made. There were offerings made each year to a larger number than ultimately purchased. Offerings were made orally. It is conceded the mails were used in carrying out this plan. Defendant kept no record of those to whom offerings were made and who did not purchase. It estimates the offering for the year 1951 to be approximately 500 "key employees", or 5 to 8% of the total employees.

The defendant's common stock is unlisted but there are over-the-counter sales to the public. Sales to "key employees" compare with estimated sales to the public, based on month of September for each year, as follows:

Year	Over-the-counter yearly sales (based on Sep tember sales of each year)	Yearly sales to "key" employees
1947	8,844	243
1948	1,200	1,120
1949	3,204	10,000
1950	8,544	9,659
1951	11,184	2,769 applications

One reason given by defendant for selling stock direct to its "key employees" was, if they attempted to make like purchases over the counter, such demand would force the price up artificially.

Defendant at no time has sold stock to its employees to procure needed finances. Such sales were only for purpose of securing stock ownership by certain selected employees. In 1945 the defendant sold \$10,000,000 in preferred stock to the public, by a public offering, after proper registration with the plaintiff. There is no evidence of any complaint from plaintiff or any stockholder, preferred or common, as to the character of financial statements of defendant.

Employees purchasing stock during the following years sold their stock thereafter as follows:

1947-----	17
1948-----	None
1949-----	9
1950-----	4

Sale of stock by employees, represented above, in most instances was by persons who left defendant's employ at time of sale.

Since 1945 defendant has sent to all stockholders its annual balance sheet statement. This statement was filed with the Commission. The defendant printed bimonthly bulletins. These were sent to all the branches, warehouses and stores and they were either posted or made available to all employees. Such bulletins showed the amount of tonnage which the company was currently producing and selling. Profit and loss statement was not shown by these bulletins.

The resolution providing for the stock issue in question, similar to resolution providing for stock offerings in previous years, is as follows:

"Resolved, that Mr. Donald Danforth, Mr. Lewis B. Stuart or Mr. E. R. Siler be and each of them is hereby authorized to sell at \$80 a share, not to exceed 10,000 shares of the authorized but unissued common stock of Ralston Purina Company to employees of Ralston Purina Company or Ralston Purina Company of Canada, Ltd., who shall without any solicitation by the Company or its officers or employees, inquire of any of them as to how to purchase common stock of Ralston Purina Company; provided, however, that if such officer is able to purchase such stock for less on the open market he is authorized to purchase stock for such employee on the open market at such lesser price; provided further that this authorization shall terminate December 31, 1951."

No common stock was ever sold to any employee except those who were designated as "key employees." In 1951, when the managers and plant and department heads were advised of the stock being made available, in accord with the defendant's custom, only "key employees" were advised by manager and plant and department heads that such stock would be available for purchase by them.

Payroll classification of employees, determined by defendant at various times of stock offerings as being "key employees" are: artist; copywriter, maintenance foreman; maintenance trainee; order-credit trainee; mill office clerk; loading foreman; chemist; research consultant; veterinarian; assistant in animal pathological department; secretary to production manager; stenographer to staff manager; clerical assistant to accounting manager; electrician-maintenance department; supervisor, mail section; millwright foreman; production trainee; shipping clerk, traffic clerk; and stock clerk.

Plaintiff's principal argument is based on committee reports and administrative rulings of plaintiff, as to the meaning that should be ascribed to the word "public" in the exemption clause of Section 4 (1) of the Act. We are urged to follow these extra-statutory pronouncements in determining the meaning of the statute. The practice does not appeal to us. We think it should be resorted to only in cases of extreme necessity when the recognized rules for statutory construction fail of their purpose. Language used by Congressional Committees is often loose. That observations of Congressional Committees will thereafter be used by the Courts to determine the meaning of laws passed by Congress cannot be said to have been in the minds of the Committee at the time of their pronouncements. Congress does not purposely pass a vague law. Committee declarations are not intended to be used for the purpose of determining the meaning of Congressional Acts by Congress. They do not represent any expression of either House of Congress. Committees of the two Houses may not agree upon the conclusions to be placed upon their actions. The latter is the case here. In 1934 the Securities Act was amended. At that time a proposal was made in the House to exempt stock issue sold to employees of the issuer. In Conference Report the House managers of the bill stated as a reason for rejection of the amendment:

"(employees) may be in as great need of the protection afforded by availability of information concerning the issuer for which they work as are most other members of the public."

But when the same amendment was before the Senate the author of a like Senate amendment had the following colloquy with a member of the Senate Committee which considered the amendment:

"I agree that when the Senator submitted his proposed amendment it struck me as being entirely reasonable, fair and just. I took it that way. And I can see what he proposes in a favorable light. But when the bill went to conference the House Conferees insisted that there was, first, no reason for the amendment"

"The contention was, and it seems to me that it is almost unanswerable, that an offering to employees solely, as provided in the Senator's amendment, is not a public offering. The argument was made that there was no occasion for this amendment, because under the law there would not be a public offering when the stock was offered simply and solely to employees. And that was the effect of the Senator's amendment. His amendment is limited, as will be seen by its language, which is—

"The term 'public offering' shall not be deemed to include an offering made solely to the employees"

"I do not believe under the law it really does."

Senator HASTINGS. May I inquire—and I make this inquiry because it may be helpful in the future—whether the Senator can say that that was the judgment of the conference itself, or is he speaking only for himself?

Senator FLETCHER. Yes; that is the judgment of the conference itself; that there is no reason why employees should not subscribe for stock, and stock be subscribed for by employees under the law as it is. And certainly there is no question in the world that the Commission has the authority to declare that such an offering would not be a public one."

The proceedings of the two Houses of Congress are in such conflict as to furnish no ground to recommend them as a help in determining the meaning of the Act before the Court.

In 1933 the Federal Trade Commission issued a release to the effect—"Where a substantial number of persons is involved it would seem imprudent to rely on the exemption of Section 4 (1) of the Act." Then in 1935 the plaintiff issued a release and again stressed numbers as determinative whether a stock offer by a corporation is private or public. And so plaintiff's brief informs us that it has consistently interpreted the term "public offering" as contained in the exemption clause to mean an offering to a substantial number of offerees. We find nothing in the statute and statutory scheme making number of offerees the sole test as to whether a stock offering is public or private.

The exemption statute was before the Court of Appeals for the Ninth Circuit in *Securities and Exchange Commission v. Sunbeam Gold Mines Co.*, 95 F. 2d 699 (1938). In the *Gold Mines* case the stock offering was made to all stockholders of two goldmining companies that were consolidating. The sole purpose of the offering was to raise finances to effect a consolidation. On the facts the authority gives little aid in the present case. But the opinion calls for serious consideration because of the position taken by the plaintiff as to the proper interpretation of the exemption statute—a position that is not now urged before this Court. We believe it far more plausible to believe that Congress has accepted the reasoning of the *Gold Mines* case as to the meaning of the statute and as the reason for failure to amend the Act and clarify its meaning, than that Congress accepted the administrative ruling as the reason for its nonaction, as urged by plaintiff.

Based on the *Gold Mines* case we conclude defendant relying on the exemption has the burden of proof. The statute is designed to protect the investing public by providing "full and fair disclosure" and information as to the securities to be offered, which shall be available to the public and upon which it can base a decision as to purchase of stock offering. Therefore an exception to the general policy of the statute must be strictly construed against the claimant of the exemption. That plaintiff has conditioned registration on such terms and conditions as to make it expensive and time-consuming for defendant cannot be made of concern to this Court. Our province is only to interpret the law. Its reasonableness is not before us.

In the *Gold Mines* case the Court adopted certain norms of construction of the exemption in the Act which were there urged by the plaintiff:

"* * * the word public is one familiar to everyone, but of the most varied and indefinite connotations. In its broadest meaning the term 'public' distinguishes the populace at large from groups of individual members of the public segregated because of some common interest or characteristic. Yet such a distinction is inadequate for practical purposes; manifestly, an offering of securities to all red-headed men, to all residents of Chicago or San Francisco, to all existing stockholders of the General Motors Corporation or the American Telephone & Telegraph Company, is no less 'public,' in every realistic sense of the word, than an unrestricted offering to the world at large. Such an offering, though not open to everyone who may choose to apply, is none the less 'public' in character, for the means used to select the particular individuals to whom the offering

is to be made bear no sensible relation to the purposes for which the selection is made. For the purposes of an offering of securities red-headed men, residents of San Francisco, and stockholders of General Motors are as much members of the public as their antithetical counterparts. To determine the distinction between 'public' and 'private' in any particular context, it is essential to examine the circumstances under which the distinction is sought to be established and to consider the purposes sought to be achieved by such distinction."

We think this line of reasoning more in harmony with the statute than the arbitrary one of numbers, wholly absent in the *Gold Mines* case, and which plaintiff now asks this Court to adopt. An examination of the "circumstances under which the distinction is sought to be established" by the defendant and "the purpose sought to be achieved by such distinction" should be examined. We also consider "is there a sensible relation to the purpose for which the selection" is made by the employer?

The circumstances of the offering under examination are plainly and frankly spread before the Court. They involve no promotion or cash-raising scheme by the defendant. They are the same circumstances that have surrounded a like activity for several years past. Defendant has followed a consistent policy of securing its managerial and executive personnel by promotion within the organization. Without competent management any business must fail. The success of defendant testifies to the soundness of its policy. It desires to continue the policy.

The sole purpose of the "selection" is to keep part stock ownership of the business within the operating personnel of the business and to spread ownership throughout all departments and activities of the business. No greater tie, to secure loyalty, could be forged between the corporation and its employees than part ownership in the business by the employees. It is an appeal to the employees' self-interest, but a commendable one. Defendant could confine stock offerings to those high in the executive positions but that would not accomplish its long range purpose of bringing from the ranks those who represent good prospects for company management. Defendant chooses to call such prospects, together with those who are in executive positions, "key employee." Doubtless the name was suggested by the thought that such character of employees is the key to the company's success, past and present. We have examined defendant's definition of "key employee" and see nothing hypocritical or evasive in it. We do not need expert testimony to understand the purpose of the definition and its

application to a private enterprise. Both in accord with sound business policy. Under the definition it calls for an observation of employees whom the company considers "eligible for future promotion to a position of greater responsibility" in the various departments. They consider whether the prospect is "ambitious and likely to develop and grow with the Company's business" and who has a beneficial or "special influence" among other employees, and one who is "sympathetic to management" and has the interests of the employer at heart. No better way has been suggested to find "key employees," that is employees who look like good prospects as part owners to carry on and promote the success of the company. What motive could the defendant have for such a policy other than the one announced? None has ever been suggested. The purpose of the selection bears a "sensible relation" to the class chosen.

We take it from the tenor of plaintiff's brief that if defendant had restricted its selection of "key employees" to less than 100, plaintiff would have no objections to the stock-offering as being a private one. Thus the issue is narrowed—is the stock-offering a public one because made to not to exceed 500 rather than not to exceed 100, out of 7,000 employees? To rule that it is would result in an arbitrary holding that any stock-offering made to offerees in excess of 100 would be public. Neither the statute nor any Congressional report suggests such a standard. It appears to have originated solely with plaintiff. But then what becomes of the test urged by plaintiff and set forth and approved in the *Gold Mines* case? Plaintiff may abandon the "common interest" and "sensible relation" doctrine but the Court of Appeals decision still stands binding on this Court unless clearly erroneous. We do not think it is clearly erroneous.

If the circumstances of this offering were such as even to suggest this corporation was taking advantage of its employees by either a false financial statement or failure to give any, we would have a different situation. If the circumstances surrounding the offering indicated it was being used to raise finances, we would have a different situation.** Defendant issues yearly financial statements.— They go to all stockholders. They are filed with the plaintiff. The request to purchase stock for the year 1951 (Pre-Trial Exhibit F) is typical of the previous sales. We find five representatives of the financial department making applications to purchase stock. Their ap-

**\$35,918,134.00 in earnings were retained for use in business as of 1951; total assets \$121,190,602.00; stockholders' equity \$78,173,030.00; cash on hand and in bank \$10,297,569. (See Def. Ex. M.)

plications are in amounts proportional to the applications in other departments. Various departments are represented in the applications and the applications for the various departments we find usually are confined to those in a supervisory, managerial or executive capacity. Salesmen from the various divisions represent an exception. Such a diversification of stock ownership cannot be said to lack "sense" from the corporate viewpoint.

The circumstances of the plan of offering stock to "key employees" lacks the slightest suggestion of a device to evade the law invoked by plaintiff. The offering has a lawful purpose entirely independent from the objective of the law.

Plaintiff emphasizes the failure of the resolution by terms to confine the offering to "key employees." This is the same type of resolution defendant has used for like offerings in previous years. The resolution is not the offering—it is authority for the offering. What was done—the facts regarding the manner and reason for the offering, rather than the resolution, show the nature of the offering to be private. Those facts are not in dispute.

We find the stock offering described in the complaint is private and not public under the terms of the Act.

We conclude that the offering is exempt from the provisions of the Act.

Decree may be submitted dismissing plaintiff's complaint and dissolving the temporary injunction.

(S) RUBEY M. HULEN,
Judge.

[CAPTION]

Judgment

This cause having been taken under submission and the filing of all briefs having been heretofore completed and the Court being now fully informed, doth find the issues in favor of the defendant and against the plaintiff and Adjudge that the plaintiff take nothing under its complaint and that the cause be and is hereby dismissed. And the Court doth further Order, Adjudge and Direct that the preliminary injunction heretofore entered herein on October 24, 1951 be and is hereby dissolved.

RUBEY M. HULEN,
Judge.

Endorsed:
Filed Feb. 14, 1952.

JAMES J. O'CONNOR,
Clerk.

[CAPTION]

Motion for restoration of preliminary injunction pending appeal

Now comes the Securities and Exchange Commission, plaintiff in the above-entitled cause, and moves the Court to restore the preliminary injunction heretofore entered by consent in this cause on October 24, 1951, pending the appeal herein from the judgment dismissing plaintiff's complaint and dissolving said preliminary injunction.

The grounds for this motion are:

(1) No harm would result to the defendant by reason of the restoration of the preliminary injunction in view of the defendant's admissions and the Court's findings that the financing in question is not necessary for the economic well-being of the defendant; and

(2) If the defendant should proceed with the offering of its securities which is sought to be enjoined and if the final judgment herein is subsequently reversed on appeal, the employee-purchasers of defendant's securities who might wish to rescind their purchases would find it difficult and embarrassing to do so in view of their employment by defendant although it is normally true that they would, under such circumstances, have the right to such rescission.

Dated February 20, 1952.

(S) Thomas B. Hart,
THOMAS B. HART,

(S) Alexander J. Brown, Jr.,
ALEXANDER J. BROWN, Jr.,

(S) Robert J. Sugrue,
ROBERT J. SUGRUE,

*Attorneys for the Securities and Exchange Commission,
105 West Adams Street, Chicago, Illinois.*

(S) Louis Loss,
LOUIS LOSS,

*Associate General Counsel, Securities and Exchange
Commission, Washington, D. C.*

[CAPTION]

Stipulation

It is hereby stipulated and agreed by the Securities and Exchange Commission, plaintiff, and Ralston Purina Company,

defendant, by their respective counsel, that pending a determination of plaintiff's appeal of the judgment entered herein by the Court on February 14, 1952, defendant will not resume the offering of securities to its employees commenced in September 1951, pursuant to the resolution of its board of directors adopted on September 11, 1951, and will not sell to its employees any of its securities pursuant to said resolution.

Stipulated and agreed this 20th day of February 1952.

(S) Thomas B. Hart,

THOMAS B. HART,

(S) Alexander J. Brown, Jr.,

ALEXANDER J. BROWN, Jr.,

(S) Robert J. Sugrue,

ROBERT J. SUGRUE,

*Attorneys for the
Securities and Exchange Commission.*

THOMAS S. MCPHEETERS,

Attorney for Defendant.

[CAPTION]

Memorandum for clerk

Plaintiff's motion for order Restoring Preliminary injunction pending Plaintiff's appeal herein filed and parties having stipulated as per stipulation filed by leave of Court, plaintiff's motion for order restoring preliminary injunction is denied:

ROBERT J. SUGRUE,

Attorney for Plaintiff.

THOMAS S. MCPHEETERS,

Attorney for Defendant.

NARRATIVE OF TRIAL PROCEEDINGS ON DECEMBER 28, 1951, BEFORE
HONORABLE RUBEY HULEN

Mr. Sugrue appearing for the plaintiff offered all of the pre-trial conference stipulations except paragraph 7 in evidence as well as Exhibit A which is referred to in paragraph 7, and the plaintiff rested.

Thereafter the defendant through Mr. McPheeters offered in evidence in its behalf the other stipulation, paragraph 7, and Exhibit A attached. Whereupon Mr. Sugrue objected to the admission of that exhibit on the ground that it was irrelevant and immaterial. The court overruled the objection. (See Defendant's exhibit A, Pretrial exhibit A, page 11.)

Lewis Stuart, a witness of lawful age, sworn and examined on behalf of the defendant, testified on direct examination:

"My name is Lewis Stuart. I live at 22 Fair Oaks, St. Louis County. I am a vice president and secretary and a member of the board of directors of the Ralston Purina Co. I have been associated with Ralston Purina Co. since 1919. I was first with the Operating Department as operator, then as Mill Manager, later becoming treasurer of the company, and in 1942 I became the Chief Financial Officer and Director. The Ralston Purina Company is a Missouri corporation incorporated in 1894. The net sales of the company for the fiscal year ending September 30, 1951, was slightly in excess of \$340,000,000. These sales consisted primarily of chows and mixed feeds for poultry and livestock; soy bean oil; sanitation and farm supply products; and cereals for human consumption.

"Ralston Purina operated 36 feed mills, 6 soy bean processing plants, and 3 cereal mills. It also operates many warehouses and elevators, some of which are owned, but most of which are leased by the company. It operates 7,000 retail concerns and employs approximately 7,000 people. It has grown from a small beginning rather steadily, but more rapidly since 1940, and the most rapid growth has been since the last war. 79

"There has been a great continuity in the management of Ralston Purina. Mr. William H. Danforth, the founder of Ralston Purina, is still active in its management. Most of our officers have been with the company their entire business lives. Our company follows the policy of promoting its personnel from within.

"The first record that I am certain of as to sales of Ralston Purina stock to our employees was in 1911. From the inception of our company we have had a policy of encouraging stock ownership, particularly by our key employees. Employee interests in the purchase of the stock has at least partially been satisfied on a number of occasions by making stock available for purchasing by our employees. In 1942 we sold 1,269 shares of our common stock to 59 key employees and in 1943 we sold 2,000 shares of our common stock to 109 key employees. The next few years we did not sell any stock, because most of our key employees owned stock in the company but with the expansion of the business and its personnel we again offered stock in 1947. In that year we sold 6,984 shares to 243 key employees. We sold stock in 1947, 1948, 1949 and 1950 and, of course, the demand for stock in 1951 was frustrated as a result of this action." Reference here was made to the pre-trial stipulation pages 11-44 where the details of such sales were set forth.

Mr. Stuart said that after the present action was instituted Ralston Purina did not proceed any further with the sale of stock to its employees in 1951. At the time the sale was stopped in 1951 Mr. Stuart said that 167 employees had evidenced their desire to buy Ralston Purina stock and that the company considered these 167 employees as "key employees." In response to the question as to what constituted a key employee Mr. Stuart said, "A key employee of course can be an officer or a department head or an assistant to a department head but is not confined to an organization chart. It would include an individual who is eligible for promotion, an individual who especially influences others or who advises others, a person whom the employees look to in some special way, an individual, of course, who carries some special responsibility, who is sympathetic to management and who is ambitious and who the management feels is likely to be promoted to a greater responsibility."

Mr. Stuart stated that the sales of stock to employees of Ralston Purina had been limited exclusively to such "key employees." In response to the question as to how the qualifications of key employees were judged, Mr. Stuart said, "That is largely a matter of judgment of the management. We rely on the officers of the company; our department heads principally." Mr. Stuart testified that in selecting such employees the top management consulted the men who managed the mills and who had supervision over and direct contact with a substantial number of employees.

In response to the question as to why the management was desirous of selling stock to its key employees, Mr. Stuart stated, "We feel, sir, that that creates a greater efficiency with the company, because it draws employees of the company closer together. Many of our people come from the rural area, where proprietorship is a matter of great pride to them. The act that they feel that they are owners, at least part owners, in the company, contributes to the morale, and we feel that the idea of breaking down the gap between the ownership and management is something that is highly desirable and something that contributed substantially to the success of the company."

Mr. Stuart testified that it was the employees in the first instance who had indicated their desire to buy the stock. In response to the question as to how the fact that the stock was available to the employees was made known to such key employees Mr. Stuart stated, "The president, speaking for the board of directors, notified the officers, who in turn notified the managers working directly under them, that the company had

or was about to make some stock available. They [the managers] very carefully were told not to solicit in any way orders for stock, but simply to acquaint the people who had indicated an interest or whom they felt it was fair to notify of the situation."

At this point Mr. McPheeters read defendant's Exhibit L into the record, which exhibit was a notice which was given to every branch manager and every store manager where any key employee had evidenced any interest in purchasing stock, advising in regard to the possibility of such stock being available. (See Defendant's Exhibit L, page 66.).

In describing the bonus which Ralston Purina paid out at the end of its fiscal year, September 30, Mr. Stuart said, "During the past several years, substantial bonuses have been paid at the end of the year. It amounts to as much as a million and a half dollars to our employees. To as many as 674 employees. Many of those employees want to invest their bonus, and we have found over the years at about that time they want to buy Purina common stock. On occasions they have gone out with their bonus money and bid against each other in the open market. That is one of the reasons why we have attempted to make stock available, so that our employees would not have to pay a perhaps temporary higher price or bid against each other during a comparatively short period."

Mr. Stuart testified that the Ralston Purina common stock is not dealt in by anyone on any exchange but rather was sold in the over-the-counter market. As to the amount of the bonus which was paid to the employees, Mr. Stuart gave the following data: In 1942 \$100,000 was paid to 159 employees. In 1943 \$178,000 was paid to 163 employees. In 1945 \$290,000 was paid to 197 employees. In 1947, \$782,000 was paid to 256 employees. In 1948 \$734,000 was paid to 252 employees. In 1949 \$1,323,000 was paid to 561 employees. In 1950 \$1,372,000 was paid to 622 employees and in 1951 \$1,575,000 was paid to 674 employees. Mr. Stuart indicated that he was using round figures, and he stated that the key employees to whom the bonus was paid were substantially the same men as the key employees to whom the stock was sold during these years.

Mr. Stuart testified that the bonus was paid only to key employees "whom the management felt had made a special contribution." Mr. Stuart said that approximately 75% of the key employees to whom bonuses were paid over the period from 1947 through 1950 and to whom the common stock of Ralston Purina was offered were already previous stockholders in the company.

Mr. Stuart testified that since 1945 the company had published a regular annual statement which had been sent to all of the company's stockholders, furnished to banks and brokers more or less generally and had been filed with the Securities and Exchange Commission since Ralston Purina's preferred stock was listed with that agency. A copy of this report was then submitted in evidence and marked defendant's Exhibit M. (See Defendant's Exhibit M, page 67.)

Mr. Stuart went on to say that production records were made available to any employees wishing to see them and he stated in this regard, "We send to our sales people, for example and to all our people, but it is primarily directed to sales people, twice a month, all our key people, sir, at least twice a month, sales records, production records are made available to our production people." In response to the question whether the company had at any time during the last 30 years ever sold or attempted to sell any of its common stock to any person other than key employees, Mr. Stuart stated that the company had never sold any stock for the purpose of raising money or to any member of the public. In describing the purpose behind this limited sale of stock Mr. Stuart said, "We have attempted to have the family remain known as the Purina family, and we call each other very largely 'partner,' and that spirit has been created very largely as a result of this policy of offering stock to a limited group."

At this point Mr. Sugrue for the plaintiff began the cross-examination of Mr. Stuart. Mr. Stuart stated that he was familiar with the correspondence which had been had between the Commission's Washington office and Ralston Purina Company during the years 1950 and 1951 concerning the sale of stock. Mr. Stuart identified plaintiff's exhibits which were offered in evidence. (See, Plaintiff's Exhibit A, B, C, D, E, F, G, H, I, J and K, pages 72-82.) Mr. Stuart stated that about 80% of Ralston Purina common stock is owned or controlled by employees, members of employee's families, or former employees and that out of a total of approximately 7,000 employees of the Ralston Purina Company about 1,000 to 1,500 of such employees are stockholders of the company. Mr. Stuart stated, "The common stock ownership in our company goes beyond key employees. There are many little people in our organization who are stock owners." He went on to say that these little people did not acquire their stock directly from the company but rather that they bought it in the open market in one way or another; and that some stock had been given to such employees as a result of an unusual suggestion or some merit such as that. In response to the question as to

whether any employee had ever been turned down when requesting an opportunity to purchase stock, Mr. Stuart stated that many had been turned down and many employees have had their applications to purchase stock materially reduced. In response to Mr. Sugrue's request that he clarify his former testimony with respect to what was meant by the definition of key employees as being employees who are ambitious; sympathetic to management and who advise others, Mr. Stuart stated, "Well, sir, I think that is a matter of influence. I think all of us who have handled people know that there are key people in the various echelons if you have been in military service there were a captain, who perhaps would have felt that one of the lieutenants was a key lieutenant, but you know if you did not have the support of your key sergeant, or the key corporal, or maybe the key private who exercised influence, that you better not go into anything that is very serious; and the same is true in business. Key people are simply not regimented into charts. We don't regiment people in that manner."

Mr. Stuart said that proportionately very few of the key people occupied very subordinate positions in the company. Mr. Sugrue asked, "In any event, these securities are offered to certain persons occupying very low positions in the company's personnel structure?" Mr. Stuart responded, "I don't like that word low. They are important people. We are thinking of them as people. They are not big wheels, if you are referring to the big wheels of an organization, but they are key people."

Mr. Sugrue asked Mr. Stuart how the figure of 400 to 500 people who were offered stock in September 1951 was arrived at. Mr. Stuart stated, "Well, sir, I got myself an average of 1 to 1½ applications to purchase stock every week. That has been about the average. I act as helper to employees and purchase that stock in the open market for them. This group that come and ask me to help them * * * they are all types. Most of them are key employees quite obvious, but I don't exclude, I don't send back the letter from someone whom we cannot consider a key employee. We treat them all alike in that respect. The way, Mr. Sugrue, this works out in practice is something like this: That when one of our sales managers is having a meeting of his group of, say, 30 or 40 men, one will invariably stand up and say, 'What is the situation on getting some of that Purina stock?' and the sales manager will say, 'Well, I haven't—I don't know now. There isn't any stock available.' And the man will insist—I haven't got one such in mind—'Well, what do you say? How do you get it? We know that officers of the company, all those key people in the

past have done very well in their purchase of stock. We want to be on that list."

Mr. Stuart stated that the figure of 400 to 500 employees used in regard to the offerings in August or September 1951 represented "approximately the number of those individuals who had written to their superior and who had evidenced an interest in the purchase of stock if or when same is available, and that many of these requests were made by word of mouth." Mr. Stuart went on to point out that such a figure was only an estimate. "It was not certainly exactly 500, but it was not a thousand, but let us say, or any number substantially above that."

In response to the question of whether or not the directors' resolution of September 11, 1951, restricted the stock offering to any particular type of employee, Mr. Stuart said, "I think I know what you are getting at, and I think I can answer it. Let me see those. I haven't that resolution. The past couple of years we have been very strict in trying to make this stock available to our junior executives, men under 50, so as to give our younger men the chance that our older men have had in the past." Mr. Stuart then went on to read the resolution as follows: "Resolved that Mr. Donald Danforth, Mr. Lewis B. Stuart or Mr. E. R. Siler be and each of them is hereby authorized to sell at \$80 a share, not to exceed 10,000 shares of the authorized but unissued common stock of Ralston Purina Company to employees of Ralston Purina Company of Canada, Ltd., who shall, without any solicitation by the company or its officers or employees, inquire of any of them as to how to purchase common stock of Ralston Purina Company; provided, however, that each such officer is able to purchase stock for less on the open market he is authorized to purchase stock for such employee on the open market at such lesser price; provided further that this authorization shall terminate September 31, 1951."

Mr. Sugrue then asked Mr. Stuart whether or not these gentlemen, the corporate officers, are restricted in the type of people to whom they were authorized to sell stock. Mr. Stuart said that tradition limited them. "Past experience, past what we have done—are all in the picture here. They would govern my action in that just as definitely—it would be assumed by our directors that I would be just as negligent if I failed to follow tradition and custom in that as if it was spelled out." Mr. Stuart also stated that the annual statement to stockholders was mailed out by Ralston Purina to the stockholders in December of each year and that the company's audit is usually completed sometime during November, usually during

the latter part of November. And that the stock offering is traditionally made to certain employees at or about the time they receive the bonus from the company. At this point Mr. Sugrue showed Mr. Stuart the December 15, 1951, issue of the Wall Street Journal and asked him concerning the accuracy of certain statements concerning the figures for the fiscal year 1951 of the Ralston Purina Company. This article stated that during the year 1951 Ralston Purina's net sales increased 35% over the net sales for 1950 and that during the same period the company's profits decreased 30% after all taxes. Mr. Stuart stated, "There is an adjustment in here that I don't believe appears in this analysis, because when we closed our books at the end of 1950 we were not aware of excess profits, that tax, that would apply to that year. If you will read both statements carefully, you can see that this article, I think, does not reflect the adjustment that was made. Our profits for the fiscal year ending September 30, 1951, before taxes was substantially above the preceding year, but after taxes. * * * they are below the preceding year [about] 25%." Mr. Sugrue then asked whether this information concerning the profits of the company was available in September 1951 when the stock offering was made to the key employees. Mr. Stuart answered that such figures were not made available until December 1951.

Mr. Stuart went on to say that production figures of the company consisted of tonnage which was the company's principal unit of measure. In this connection he said, "Now, there are many figures that go into profits, of course; markets, and many other figures. But I believe that you may agree that tonnage, this is volume production, is perhaps the biggest single figure in the company's success. We deal, in discussing with our executives, our board of directors, and our employers, we deal very largely in tonnage figures, not exclusively, of course." Mr. Stuart stated that in connection with the sales figures which were made available twice a month to key people that such figures went to all people in the sales department. "They go to all our officers, about 3 or 4, or half a dozen, depending on how many in the office, because the offices are different sizes, where they are available in some cases through the board, in most cases a number of people's names are put on the article and it is passed around the office."

Mr. Stuart testified that these sales figures went substantially to every department and office in the country. At this point Mr. Sugrue offered in evidence as plaintiff's Exhibit L the said news item from the Wall Street Journal. Mr. McPheeters stated that he doubted whether the figures in the clipping from the Wall Street Journal were correct and that he

would not stipulate regarding the figures. (See Plaintiff's Exhibit L, page 83.)

At this point, Mr. McPheeters for the defendant began the redirect examination of Mr. Stuart. In an attempt to clarify the 1951 resolution of the Ralston Purina Company which spoke about an offering of 10,000 shares and in which there was nothing to limit the offering to key employees, Mr. Stuart stated, "We were limited as officers in every respect that we had been limited in the last several years, with one exception: In the last few years, we had made a special effort not to sell any stock to people over 50 years of age. In all of our discussions, that is the only item that was mentioned or excepted. We indicated a willingness this year—because instead of the junior employee anchor, we found several of our employees' relations got this stock—to protect the employees against the market rise as we did this year. We felt, however, that since pressure of the market was the prime factor this year, that we would not object to the older people who might be in the market. We felt this." Mr. Stuart also stated that the same procedure was followed in 1951 as had been followed in the past in connection with the offering of this stock.

Mr. McPheeters stated that he thought Mr. Sugrue was trying to create the impression that because a man was in the maintenance department, he could not be called a key employee. The court disagreed with Mr. McPheeters and stated, "I got the impression that key employee is a very elastic term as far as efficiency is concerned. A key employee might be a key employee in one branch, while frequently they might have a man doing that same work in another branch * * * [who] loaf[s] on the job and he is not a key employee." In response to this statement, Mr. McPheeters stated that he was attempting to make the point that "a payroll classification is not an employee, and what is in a payroll classification at one point, the man who holds the same payroll classification in another is not the same man, and we are making the difference in the man."

Mr. McPheeters asked Mr. Stuart why Ralston Purina failed to register stock that was offered to the employees in 1951. Mr. Stuart stated, "The reasons are very definite. Personally, I have been through a registration just once, and when we started to register our preferred stock, we started in January. It took until May 15th before we could get the schedules. It cost us tens of thousands of dollars. Now, when you are putting out an issue, or when you are selling to a group, to a small intimate group, if the sale is between three or four or ten thousand shares and you have to spend for a hundred

special accountants' fees, lawyers' fees, printing expenses, travel expenses, clerical expenses—there is a host of expenses in connection with the registration which makes it entirely unwarranted to spend that much money to accommodate key employees. The big factor is a very important factor. We come to the end of the year, we cannot wait $3\frac{1}{2}$ months to know what we are going to do; we have to deal with our employees, pay our bonuses, and make our deals then. If we have to wait for $3\frac{1}{2}$ months, or if we have to wait for $2\frac{1}{2}$ months, which probably would be a pretty fair length of time, and then pay financial extras, legal people, accounting people, printing, long distance telephone and telephone calls, clerical expenses, travel, and pile all that expense on the sale of a few shares of stock to an intimate group, we feel that that is entirely unwarranted, and it is a matter of economy on our part that we have come in here to attempt to win our case, Your Honor.

"I might add another thing or two, as long as you went into that type of formal matter. With your family, your business family, it is a lot like your own family, one of the members comes to your house for dinner, you call on him, you want to agree on something. It distorts or tends to distort the intimate relations that we attempt to create in our company between the owners of our company and the people who run our company.

"Again, when we emphasize the fact that we don't try to cater to our big wheel. We try to cater to the backbone of our company, the key people that run the company. The registration—in this registration, I believe you might let us style maybe the top 12 people in our company, or the top two dozen people in our company, the so-called 'big wheels' of our company. That is not, in our opinion, a democratic way to run a company, and it is not a way to engender the spirit which we have engendered in our company and which we earnestly pray we can continue to engender.

"At this point Mr. Sugrue for the plaintiff began the re-examination of Mr. Stuart. Mr. Sugrue asked if there were any profit figures available to the employees in the company other than the figures which result from the annual audit which commences around the end of September. Mr. Stuart stated that the company filed a quarterly report with the Commission which consisted of gross sales figures. And that was the only final report which Ralston Purina put out. Mr. Sugrue asked whether any net profit figures were available to the employees. Mr. Stuart stated that the report filed with the Commission was the only report which Ralston Purina put out and that it was an annual report. Mr. Sugrue asked whether

any profit figures audited or unaudited were available to anybody in the company from the end of one fiscal year to the end of the next fiscal year. Mr. Stuart stated that depending on the individual all figures are available to some, and to a lesser degree to others. He also stated that he was vice president of the company and that figures were available to him showing the profits of Ralston Purina for a given month. He stated that these figures were available to many others but that they were not available to all of the so-called key employees."

Which was all the evidence offered at the hearing.

DEFENDANT'S EXHIBIT L

(Copy of information memorandum released to certain key store managers)

ST. LOUIS, MISSOURI, *September 21, 1951.*

If you would like to buy some Purina Common Stock at \$80 a share, which is about the current market, let me know by October 1 how many shares you want.

The Company has issued the following statement which should be thoroughly understood by anyone interested in acquiring stock at this time.

"The Company is unwilling to take the responsibility, in essence, of guaranteeing or forecasting that the price of Purina stock is going up or will remain at its present price for the next twelve months or so. Consequently the Company is making no recommendation that employees purchase at current prices.

"The Company, however, is willing to try to protect employees against a market rise in the price of the stock resulting from temporary competitive bidding by employees. To do this the Company will make available for a limited time some authorized but unissued stock at \$80.00 a share. The only employees to whom this stock will be available will be those who take the initiative and are interested in buying stock at present market prices.

"If stock can be purchased on the open market at a price lower than \$80 a share, the employee will, of course, buy at the lower price."

H. A. STEIN.

sl.

P. S. In Fletch's absence from the office, I am passing this information on to you because I thought you might be interested.

H. A. S.

DEFENDANT'S EXHIBIT M

*Donald Danforth, President**RALSTON PURINA COMPANY,
St. Louis 2, Mo., December 14, 1951.*

TO OUR STOCKHOLDERS:

Our financial record for the past year can be summarized very briefly. It would take volumes to tell adequately of the loyalty, initiative and ability of the men and women who made this record possible.

Our dollar sales increased \$89,436,935 or 35 percent. Our operating profit before taxes increased \$4,263,283 or 21 percent. Our Federal taxes increased \$6,635,146 or 76 percent. Our net profit after taxes decreased \$2,371,863 or 20 percent.

We have the satisfaction of knowing that we are making an important contribution to the better feeding of our Nation. Our contribution taxwise is self-evident.

Sincerely yours,

DONALD DANFORTH, *President,*
RALSTON PURINA COMPANY.

DD-vlt.

ACCOUNTANT'S REPORT

TO THE BOARD OF DIRECTORS,

Ralston Purina Company, St. Louis, Missouri.

We have examined the balance sheet of Ralston Purina Company and its domestic subsidiaries consolidated as of September 30, 1951, and the related statement of profit and loss and earnings retained for use in the business for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of profit and loss and earnings retained for use in the business present fairly the financial position of Ralston Purina Company and its domestic subsidiaries consolidated at September 30, 1951, and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

PEAT, MARWICK, MITCHELL & Co.
ST. LOUIS, MISSOURI, *December 5, 1951.*

*Statement of profit and loss and earnings retained for use in the business
for the year ended September 30, 1951*

RALSTON PURINA COMPANY AND DOMESTIC SUBSIDIARIES CONSOLIDATED

Income from sale of goods and other sources:

Net sales	\$342,802,522
Miscellaneous merchandising and service departments income (net)	1,579,790
Interest received	57,301
Miscellaneous income	414,581
Proceeds from life insurance, less surrender value	252,414
	<u>345,106,608</u>

Costs, expenses, and other charges:

Cost of materials and operating expenses other than shown separately below	289,725,112
Administrative, research, distribution, and general expense	29,159,018
Contribution under pension plans and pensions paid	987,015
Interest paid	325,782
Interest and amortization of expense on debentures	96,076
Miscellaneous charges	158,911
Federal excess profits tax—prior year	500,453
Provision for Federal taxes on income, including \$2,845,000 for excess profits tax	15,369,000
	<u>336,322,267</u>

Net Profit	8,784,341
------------	-----------

Earnings retained for use in the business at Sept. 30, 1950	40,214,469
---	------------

Total	48,998,810
-------	------------

Less:

Amount transferred to common capital stock account based on the issuance of one share of common stock for each two shares held	\$10,245,100
Cash payments to certain fractional share holders	1,428
	<u>10,246,528</u>

Total	38,752,282
-------	------------

Deduct—dividends declared:

On 3¾% cumulative preferred stock—\$3.75 per share	374,982
On common stock—\$2 per share	2,459,166
	<u>2,834,148</u>

Earnings retained for use in the business at Sept. 30, 1951	35,918,134
---	------------

See accompanying Notes to Financial Statements.

RALSTON PURINA COMPANY AND DOMESTIC SUBSIDIARIES CONSOLIDATED

Balance sheet as of Sept. 30, 1951

ASSETS

Current assets:

Cash in banks and on hand		\$10,297,569
United States Government Securities:		
At cost (quoted market prices \$13,986,-808)	\$13,962,062	
At redemption prices and accrued interest, of which \$800,000 pledged (note 1)	1,403,941	
		15,366,003
Accounts receivable, less provision for doubtful accounts		26,936,336
Advances on purchases of materials		959,259
Inventories (note 2):		
Finished products	\$5,127,395	
Grain, raw materials, bags, containers, etc.	22,421,147	
Miscellaneous merchandise, livestock, etc.	3,186,152	
		30,734,694
Prepaid expenses—insurance, taxes, etc.		270,693
Total Current Assets		84,564,554
Investment in and advances to Canadian Subsidiary not consolidated (note 3)		634,597
Other investments and advances, including cash surrender value of life insurance, \$407,524		505,366
Plant and equipment (substantially at cost):		
Land	\$1,338,974	
Buildings and equipment, less depreciation, \$18,196,720	33,184,843	
		34,523,817
Formulas, copyrights, trade marks, patents, goodwill, etc.		1
Deferred charges:		
Mill and office supplies, etc.	\$913,298	
Unamortized debenture expense	48,969	
		962,267
Total		121,190,602

See accompanying notes to financial statements.

LIABILITIES

Current liabilities:

Accounts payable	\$7,249,371
Amounts payable for taxes withheld	595,010
Accrued taxes, compensation, interest, and miscellaneous	1,916,263
Dividends payable	93,859
Provision for Federal and State taxes on income and excess profits tax	17,811,670
Total current liabilities	27,666,173
3¾% sinking fund Debentures due 1971 (note 4)	15,000,000
Reserves for self-insurance	351,399
Stockholders' equity:	
Cumulative preferred stock of \$100 par value per share. Authorized 250,000 shares issuable in one or more series. Issued and outstanding—3¾% cumulative preferred stock, 100,000 shares	\$10,000,000

Common stock of \$25 par value per share.	
Authorized 1,600,000 shares. Issued and outstanding—1,229,712 shares-----	30,742,800
Premium received on capital stock in excess of par value (including \$7,657 during year)-----	1,512,096
	<hr/> 42,254,896
Earnings retained for use in the business (note 5)-----	35,918,134
	<hr/>
Total stockholders' equity-----	\$78,173,030
	<hr/>
Total-----	121,190,602
	<hr/>

NOTES TO FINANCIAL STATEMENTS

(1) At September 30, 1951, the parent company had pledged \$800,000 par value United States Treasury Savings Notes, Series "D," as collateral security on a loan negotiated by its Canadian subsidiary.

(2) The inventories at September 30, 1951, are based on physical inventories taken as of that date or on perpetual inventory records adjusted to quantities shown by physical inventories taken from time to time during the year.

Finished products are valued at market prices of ingredients plus manufacturing cost, with the exception of certain items amounting to \$434,164 which are stated at approximate market. Grain, raw materials, bags, containers, etc., are stated at the lower of average cost or replacement market. Miscellaneous merchandise, livestock, etc., (except \$1,666,673 valued at approximate market) are priced at average cost.

(3) The parent company owns all of the outstanding capital stock of the Canadian subsidiary, Ralston-Purina Company of Canada, Limited; the investment therein, \$100,000, is stated at cost. The company's equity in the net assets of this subsidiary, as shown by its balance sheet as of September 30, 1951, was \$2,216,907 expressed in Canadian currency. The net profit of this subsidiary for the year ended September 30, 1951 was \$537,135 expressed in Canadian currency.

(4) The 3¼% sinking fund debentures due June 1, 1971, are subject to redemption prior to maturity at principal amount and accrued interest, plus a premium of 3% if redeemed on or before June 1, 1952. This premium reduces periodically until after June 1, 1969, when no premium is required. There is an optional redemption provision whereby debentures may be called at lower redemption rates on any June 1, if the parent company has net earnings after June 30, 1951 (less dividends declared) equal to the amount required for the proposed re-

demption. Beginning in 1958, the parent company is required to make the following annual sinking fund deposits: 1958-1960, \$500,000; 1961, \$600,000; 1962, \$700,000; 1963, \$800,000; 1964, \$900,000; 1965-1970, \$1,000,000. Debentures acquired other than through the operation of the sinking fund may be applied as a credit against sinking fund payments (if certain provisions are met) at principal amount thereof.

(5) The earnings retained for use in the business represent the amount remaining after transfers in the current and prior years to common stock account. The indenture securing the 3 $\frac{1}{4}$ % debentures provides that cash dividends on common stock or acquisitions of capital stock may be paid only from net earnings of the company after October 1, 1950. Of the earnings retained for use in the business at September 30, 1951, \$29,839,973 are restricted under the foregoing provisions. The Articles of Association also contain certain restrictions as to dividend payments on, or acquisition of, common stock.

(6) At September 30, 1951 the parent company had outstanding commitments of approximately \$1,750,000 with respect to uncompleted construction.

(7) Provision for depreciation of plant and equipment for the year amounted to \$2,150,843.

RALSTON PURINA COMPANY

DIRECTORS

Wm. H. Danforth, *Chairman of the Board of Directors*.

Donald Danforth, George W. Simpkins.

Raymond E. Rowland, Lewis B. Stuart.

PRINCIPAL OFFICERS

Donald Danforth, *President*.

Roland M. Bethke, *Vice President (Research)*.

Eldred A. Cayce, *Vice President (Purchasing)*.

David L. Grant, *Vice President (Chow Production)*.

F. Wendell Huntington, *Vice President (Personnel)*.

Gordon M. Philpott, *Vice President (Advertising)*.

Raymond E. Rowland, *Vice President (Products and Manufacturing)*.

Louis C. Stevenson, *Vice President (Sales)*.

Lewis B. Stuart, *Vice President (Finances), and Secretary*.

John D. Sykes, *Vice President (Public Relations)*.

E. Ray Siler, *Treasurer*.

P. L. Jacoby, *Controller*.

L. B. Murdock, *Assistant Secretary*.

GENERAL OFFICES,
Checkerboard Square, St. Louis 2, Missouri.

Major milling properties: Amarillo, Tex., Battle Creek, Mich., Bloomington, Ill., Brawley, Calif., Buffalo, N. Y., Charlotte, N. C., Circleville, Ohio, Davenport, Iowa, Delmar, Del., Denver, Colo., Fort Worth, Tex., Iowa Falls, Iowa, Jackson, Miss., Kansas City, Mo., La Fayette, Ind., Los Angeles, Calif., Lubbock, Tex., Macon, Ga., Miami, Fla., Minneapolis, Minn., Muskogee, Okla., Nashville, Tenn., Oakland, Calif., Oklahoma City, Okla., Omaha, Nebr., Pocatello, Idaho, Richmond, Ind., St. Johnsbury, Vt., St. Louis, Mo., Stockton, Calif., Tampa, Fla., Visalia, Calif., Wichita, Kans., Wilmington, Del.

Subsidiary companies: Ralston-Purina Company of Canada, Limited; Woodstock and Smithville, Ont., Montreal, Que.; Taylor Milling Company, Stockton, Calif.; West Coast Wharf & Storage Company, Oakland, Calif.

Transfer Agent (Preferred Stock), Chemical Bank & Trust Company, 165 Broadway, New York 15, N. Y.

Registrar (Preferred Stock), City Bank Farmers Trust Company, 22 William Street, New York 15, N. Y.

Common Stock certificates are transferable only at the general offices of Ralston Purina Company.

PLAINTIFF'S EXHIBIT A

JUN 23, 1950.

Mr. E. R. SILER,

Treasurer, Ralston Purina Company

835 South Eighth Street, St. Louis 2, Missouri.

Re: File No. 1-3255

DEAR SIR: The annual report of your company on Form 10-K for the fiscal year ended September 30, 1949 has been examined. We have the following comments in connection therewith:

It is noted from the response to Item 12 of the report for the fiscal year ended September 30, 1948, that the registrant sold 6,984 unissued common shares and 1,120 treasury common shares during the period under report for an aggregate of \$387,740. It is represented that these securities were sold privately to employees of the company and that there was no public offering. Since it does not appear that the securities were registered under the Securities Act of 1933 and insufficient information is given for us to determine whether an exemption from registration was available, you are requested to inform.

this Division by letter of the number of persons to whom the securities were offered and the number of persons to whom securities were sold. In addition, the letter should state whether the registrant obtained assurance that the employees purchased the securities for investment and not with view to their distribution.

It is noted from Note (11) of the notes to financial statements in the reports for the fiscal years ended September 30, 1948 and 1949, that the registrant has in effect a fund for encouraging the development of initiative of key employees, including officers. It appears that the operation of this fund constitutes a bonus or profit-sharing plan and that the putting of the plan into effect was an event which should have been reported in a current report on Form S-K within ten days after the close of the month in which the event occurred. Under the circumstances it is suggested that the registrant file at its early convenience a current report on Form S-K, in which the information and exhibit required by Items 10 and 15 of the form are furnished.

The following comments are for your guidance in preparing future reports:

Adjustments of prior years' operations should be reflected in the income statement rather than in surplus. Reference is made to Accounting Research Bulletin No. 32 issued by the American Institute of Accountants, particularly paragraph 11 thereof.

It is suggested that the amounts shown in Note (4) be expressed in terms of converted American dollars.

Very truly yours,

BYRON D. WOODSIDE,
Assistant Director
Division of Corporation Finance.

cc: New York Stock Exchange.
RCHocker.
(Flaherty).

PLAINTIFF'S EXHIBIT B

Office of the Vice President

RALSTON PURINA COMPANY,
St. Louis 2, Mo., July 12, 1950.

Mr. BYRON D. WOODSIDE, *Assistant Director,*
Division of Corporate Finance,
Securities and Exchange Commission,
Washington, D. C.

Re: Ralston Purina Company Your File No. 1-3255

DEAR SIR: Receipt is acknowledged of your letter of June 23, 1950.

With reference to the shares of common stock sold by the company in its fiscal year 1948, all of said shares were sold solely to employees of the Company who were in various key positions with the Company. The purpose of the sales was not to raise additional funds for the Company but was to enable such employees to become stockholders of the Company in view of the exceedingly limited supply of common stock of the Company purchasable on the open market. It was thoroughly understood by all such employees that they were purchasing said shares of stock for investment and not with a view to their distribution. It has been the policy of the Company since its institution to encourage employee stock ownership by key employees. Over many years only a negligible amount of such employee stock has been sold by the employees to outsiders unless such employees either die or leave the employ of the Company.

With reference to the bonus fund referred to in Note 11 to the financial statements for 1948 and 1949, this fund has been in effect for many years and long prior to the listing of the preferred stock on the New York Stock Exchange. It is the Company's position that said fund, commonly known as the "President's Development Fund," does not constitute a profit sharing plan within the meaning of Form S-K. There is no written plan or agreement or statement of policy in connection with this fund. It merely operates by the setting aside of various amounts each year, and the drawing of checks to deserving officers and employees out of said fund, the size of the fund and the amounts distributed being determined in the sole discretion

of the President of the Company, except that the amount, if any, to be paid to the President of the Company is determined by the Chairman of the Board of Directors. It is, therefore, most respectfully submitted that it would be wholly impossible to file the information requested in Form 8-K.

Your comments as to accounting matters have been called to the attention of our accountants, Messrs. Peat, Marwick, Mitchell & Company for their information in preparing accounting statements for subsequent years.

Yours very truly,

RALSTON PURINA COMPANY,
Lewis B. Stuart,
LEWIS B. STUART, *Vice-President.*

sn.

cc: New York Stock Exchange.

PLAINTIFF'S EXHIBIT C

JULY 27, 1950.

Mr. LEWIS B. STUART,

Vice President, Ralston Purina Company,
Checkerboard Square, St. Louis 2, Missouri.

Re: File No. 1-3255

DEAR SIR: This is with reference to your letter of July 12, 1950, in response to our letter of June 23 with respect to the annual reports on Form 10-K filed by your company. You state that it was thoroughly understood by all employees who purchased stock from the company during its fiscal year ended September 30, 1948, that such shares were purchased for investment and not with a view to their distribution. You also state that the operation of the "President's Development Fund" does not constitute a profit-sharing plan within the meaning of Form 8-K since there is no written plan or statement of policy in connection therewith and the size of the fund and the amounts distributed therefrom are determined in the sole discretion of the president, except that the amount, if any, to be paid to the president is determined by the chairman of the board of directors.

As requested in our letter of June 23, it would be appreciated if the registrant would inform this Division by letter of the number of persons to whom its shares sold in the 1948 fiscal year were offered and the number of persons who purchased such shares.

In view of the facts stated in your letter, we will not raise any further question at this time regarding the filing of a current report with respect to the "President's Development Fund".

Very truly yours,

R. H. BAGLEY,
for BYRON D. WOODSIDE,
Assistant Director,
Division of Corporation Finance.

RCHocker:cms.
(J. D. Flaherty):

PLAINTIFF'S EXHIBIT D

Office of the Vice President

RALSTON PURINA COMPANY,
St. Louis 2, Mo., August 3, 1950.

Mr. BYRON D. WOODSIDE,
Asst. Director, Division of Corporate Finance,
Securities and Exchange Commission,
Washington, D. C.

Re: Ralston Purina Company, Your File No. 1-3255 ♦

DEAR MR. WOODSIDE: Replying to the request in your letter of July 27, 1950, we wish to advise that 8,104 shares of our Common stock were sold to 247 of our employees in our 1948 fiscal year. To the best of our knowledge, this stock was purchased by all of the employees to whom it was offered.

Very truly yours,

Lewis Stuart,
LEWIS B. STUART,
Vice President.

LBS: HLN.

PLAINTIFF'S EXHIBIT E

AUGUST 15, 1951.

Mr. S. R. SILER,
Treasurer, Ralston Purina Company,
835 South Eighth Street, St. Louis 2, Missouri.

Re: File No. 1-3255

DEAR SIR: We have the following comment in connection with the annual report on Form 10-K for the fiscal year ended September 30, 1950, filed by your company.

From comparison of the balance sheets in the 1949 and 1950 reports it appears that the registrant sold 19,659 shares of common stock during the fiscal year ended September, 1950.

It is requested that you advise this Division by letter why these shares were not registered under the Securities Act of 1933. If an exemption from registration is claimed the facts necessary to establish the availability of the exemption should be set forth in the letter.

Very truly yours,

ERNEST U. RAMSPECK,
for HARVEY M. THORSTON,
*Assistant Director,
Division of Corporation Finance.*

cc: New York Stock Exchange.

RCHocker:mms.

(J. D. Flaherty)

PLAINTIFF'S EXHIBIT F

AUGUST 18, 1950.

Mr. LEWIS B. STUART,

*Vice President, Ralston Purina Company,
Checkerboard Square, St. Louis 2, Missouri.*

Re: File No. 1-3255

DEAR SIR: This will acknowledge receipt of your letter of August 3, 1950, stating that 8,104 shares of your common stock were sold to 247 employees during your 1948 fiscal year. Based on the statements made in your July 12, 1950, letter to the effect that it was the understanding of all employees who took the stock that their purchase was for investment and not resale it would appear that you were relying upon the provisions of the second clause of Section 4 (1) of the Securities Act of 1933 for an exemption from registration.

In our opinion your reliance upon this section was not well founded.

I am enclosing a copy of the Securities Act Release No. 285 which may be of some assistance to you with regard to the meaning and limitations of the "private offering" exemption.

The advisability of communicating with us prior to making any future offering of securities is suggested.

Very truly yours,

BYRON D. WOODSIDE,
*Assistant Director,
Division of Corporation Finance.*

PLAINTIFF'S EXHIBIT G

Office of the Treasurer

RALSTON PURINA COMPANY,
St. Louis 2, Mo., September 7, 1951.MR. HARVEY A. THORSON,
*Asst. Director, Division of Corporation Finance,
Securities and Exchange Commission,
Washington 25, D. C.*

Re: Ralston Purina Company, Your File No. 1-3255

DEAR MR. THORSON: Replying to your letter of August 15, 1951, we sold 10,000 shares of our common stock to 415 of our key officers and employees on October 3, 1949, and 9,659 shares of our common stock to 420 such key officers and employees on September 22, 1950.

In all cases said sales were made exclusively to key officers and employees and no offering in connection therewith was made to the general public or even to the general "run of the mill" employees. The offerings were in accordance with the company's long standing desire to encourage stock ownership by its key employees and, incidentally, to avoid any artificial "run up" of the market for stock of Ralston Purina Company arising out of the fact that during or shortly prior to the offering date the company had paid to those and other employees substantial cash bonuses, principally to the key employees here involved. The company's officers were apprehensive that if it did not make stock available for purchase by its employees they would bid against each other in the open market, creating a temporary and artificial activity therein, running up the market price by such competitive bids, which in turn would, after the period had passed, result in a declining market price. The company, of course, was not primarily concerned with the market price of its stock but it was concerned that its key employees do not by their action harm each other and create an artificial market situation.

The company has been advised by its counsel that any such special offering, directly and without any intervention of brokers, to key employees is not a public offering, and that such shares need not be registered with the Securities and Exchange Commission.

Very truly yours,

(S) E. R. Siler,
E. R. SILER,

Treasurer

PLAINTIFF'S EXHIBIT H

AIR MAIL

SEPTEMBER 14, 1951.

Mr. E. R. SILER,

*Treasurer, Ralston Purina Company,**Checkerboard Square,**St. Louis 2, Missouri.*

Re: File No. 1-3255

DEAR MR. SILER: This will acknowledge your letter of September 7, 1951, relating to the sale of 19,659 shares of Ralston Purina common stock. You state that Ralston Purina Company sold 10,000 such shares to 415 of its key officers and employees on October 3, 1949 and 9,659 such shares to 420 key officers and employees on September 22, 1950. You add that your company has been advised by its counsel that the offering, which was made directly and without any intervention of brokers, to its key employees was not a public offering and that such shares need not be registered with this Commission. While the basis upon which you claim an exemption from registration is not made entirely clear by your letter it would appear that reliance was placed on the provisions of the second clause of Section 4 (1) of the Securities Act of 1933.

Reference is made to the correspondence in July and August 1950 between this office and your company regarding sales of your common stock in 1948 to 247 employees. Specifically you were advised in our letter of August 18, 1950, that it was our opinion that reliance upon Section 4 (1) of the Securities Act of 1933 for an exemption from registration with regard to your 1948 transactions with employees was not well founded. In this connection, we suggested the advisability of communicating with us prior to making any future offering of your securities. The limitations of the exemption under consideration were called to your attention in Securities Act Release No. 285 which was enclosed with our August 18, 1950 letter. Nevertheless the following month, viz., on September 22, 1950, your company sold 9,659 shares to 420 officers and employees.

Since it appears your company has followed the practice of making unlawful public offerings of its securities every year since 1948, and in view of the possibility, particularly in 1950, that the violations were willful you are requested to advise us

promptly whether you intend again to make another such offering without registration this year.

Very truly yours,

(S) *H. A. Thorson;*
HARVEY A. THORSON,
Assistant Director,
Division of Corporation Finance.

SBinder-ae.
Flaherty.

PLAINTIFF'S EXHIBIT I

Office of the Vice President

RALSTON PURINA COMPANY,
St. Louis 2, Mo., September 19, 1951.

Mr. HARVEY A. THORSON,
Assistant Director, Division of Corporation Finance,
Securities Exchange Commission,
Washington 25, D. C.

Re: Ralston Purina Company, Your File No. 1-3255

DEAR MR. THORSON: We acknowledge receipt of your letter of September 14, 1951. We have referred this matter to our counsel who have advised us that in their opinion all our prior actions mentioned by you in said letter were legal and proper under the Securities Act of 1933 as amended in that we did not make a public offering of our securities but on the contrary limited the offering to key employees.

With reference to the last paragraph of your letter, the Corporation does not intend to make any offering of its securities to its employees this year nor to solicit any offers from them to buy its securities. However, the Board of Directors did at their meeting on September 11, 1951, adopt the following resolution:

"Resolved, that Mr. Donald Danforth, Mr. Lewis B. Stuart or Mr. E. R. Siler be and each of them is hereby authorized to sell at \$80 a share, not to exceed 10,000 shares of the authorized but unissued common stock of Ralston Purina Company to employees of Ralston Purina Company or Ralston-Purina Company of Canada Ltd., who shall, without any solicitation by the Company or its officers or employees, inquire of any of them as to how to purchase common stock of Ralston Purina Company; provided, however, that if such officer is able to purchase such stock for less on the open market he is authorized to purchase stock for such employee on the open market at

such lesser price; provided further that this authorization shall terminate December 31, 1951."

Pursuant to such resolution, it is the intention of the officers to make sales only to key employees who are purchasing for investment and not for resale. Although the time limit fixed in the resolution is December 31, 1951, it is anticipated that all sales thereunder will be made before October 31, 1951, since experience has shown that the demand for stock immediately follows the cash bonus customarily paid toward the close of our fiscal year ending September 30.

Very truly yours,

(S) *Lewis B. Stuart,*
LEWIS B. STUART, *Vice President,*
RALSTON PURINA COMPANY.

LBS:HLN.

PLAINTIFF'S EXHIBIT J

AIR MAIL

SEPTEMBER 25, 1951.

Mr. LEWIS B. STUART,
Vice President, Ralston Purina Company,
Checkerboard Square, St. Louis 2, Missouri.

Re: File No. 1-3255

DEAR SIR: This will refer to your letter of September 19, 1951, regarding the sale of common stock of your company to employees. You state that the Board of Directors of your company adopted a resolution on September 11, 1951, authorizing Mr. Donald Danforth, Mr. Lewis B. Stuart or Mr. E. R. Siler, among other things, to sell at \$80 per share not to exceed 10,000 shares of the authorized but unissued common stock of Ralston Purina Company to employees of such company or Ralston Purina Company of Canada, Ltd. It is noted you anticipate that all sales under such resolution will be made before October 31, 1951.

Please advise us immediately by return air mail or telegram the first date on which purchases by employees were or will be possible, the number of eligible employees, and the criteria employed to determine whether a person is a "key" employee.

We would also appreciate your advising us the price per share which your company received for the common stock it sold in 1949 and for the stock it sold in 1950.

Very truly yours,

HARVEY A. THORSON,
Assistant Director,
Division of Corporation Finance.

ABinder:mms.
(J. D. Flaherty).

PLAINTIFF'S EXHIBIT K

[WESTERN UNION]

HARVEY A. THORSON,

Assistant Director, Division of Corporation,
Finance Securities and Exchange Commission,
Washington, D. C.

Re: Your file 1-3255. Purchases of stock made available by our directors on September 11 have been possible since September 14. The number of eligible key employees is approximately five hundred. Criterion employed to determine if a person is a key employee is position held, namely, an officer, department head, assistant to a department head or other employee the company considers eligible for promotion to a position of greater responsibility as an administrative, production, sales, or research department head or an assistant to a department head. Price received by our company on sale of stock to employees in 1949 was \$35 a share, in 1950 \$70 a share. A fifty percent stock dividend was subsequently distributed on December 4, 1950.

RALSTON PURINA CO.
LEWIS B. STUART.

PLAINTIFF'S EXHIBIT L

RALSTON PURINA PROFIT FOR FISCAL 1951 DOWN DESPITE
35% SALES RISE

From the Wall Street Journal, St. Louis Bureau

St. Louis.—Despite a 35% jump in sales, net income of Ralston Purina Co. for the fiscal year ended September 30 fell to \$8,784,341, from the \$12,560,665 reported for the preceding year, according to Donald Danforth, president.

Earnings a share for fiscal 1951 were \$6.84 compared with the preceding year's \$14.87, based on the smaller number of common shares then outstanding.

Sales for the year ended September 30 amounted to \$342,802,522, up from \$253,365,587 in fiscal 1950.

Federal income taxes for the recent fiscal year totaled \$15,369,000, including \$2,845,000 in excess profits taxes. This compares with federal income taxes of \$8,233,400 for fiscal 1950.

The company also included in its expenses for fiscal 1951 a special charge of \$500,453 for federal excess profits taxes due on the preceding year's income.

Ralston Purina Co. and domestic subsidiaries consolidated report for the fiscal year ended September 30:

	1951	1950
† Earned a share	\$6.84	\$14.87
Net sales	342,802,522	253,365,587
Total income	345,196,608	225,596,762
Costs, expenses, other charges	320,452,814	234,796,697
‡ Special tax charge	500,453	
* Federal income taxes	15,369,000	8,233,400
Net profit	8,784,341	12,560,665
Preferred dividends	374,982	375,005
Common dividends	2,459,166	3,239,995
Number common shares outstanding	1,229,712	819,659
Number preferred shares outstanding	100,000	100,000

† After preferred dividend requirements.

‡ Federal excess profits taxes for the 1950 fiscal year but charged to expenses for 1951 fiscal year.

* Includes \$2,845,000 for excess profits tax.

[CAPTION]

Notice of Appeal to United States Court of Appeals

Notice is hereby given that the Securities and Exchange Commission, plaintiff herein, hereby appeals to the United States Court of Appeals for the Eighth Circuit from the final judgment entered in this action on February 14, 1952.

Dated February 20, 1952.

(S) *Thomas B. Hart.*

THOMAS B. HART.

(S) *Alexander J. Brown, Jr.*

ALEXANDER J. BROWN, Jr.

(S) *Robert J. Sugrue.*

ROBERT J. SUGRUE.

Louis Loss,

LOUIS LOSS,

Associate General Counsel, Securities and Exchange Commission, Washington, D. C.

[CAPTION]

Statement of points relied on.

Comes now the Securities and Exchange Commission, Petitioner in the above entitled matter, and files the following statement of points upon which it relies for the allowance and in the prosecution of an appeal from the order and judgment

entered by the United States District Court for the Eastern Division of the Eastern Judicial District of Missouri on February 14, 1952, in the case therein pending entitled, "Securities and Exchange Commission v. Ralston Purina Company, No. 8212 (2)" dismissing the cause of action and dissolving the preliminary injunction:

1. The said District Court erred in finding that the offering of securities to employees of the Ralston Purina Company was not a public offering under Section 4 (1) of the Securities Act of 1933.

2. The said District Court erred in concluding that the defendant below was not violating Section 5 (a) of the Securities Act of 1933 and in dissolving the injunction against such violation.

Wherefore, Petitioner prays that said order entered on February 14, 1952, be set aside and reversed and that such other and further relief may be given Petitioner as to this Honorable Court may seem just and proper.

(S) Louis Loss,
Louis Loss,

*Associate General Counsel, Securities and Exchange
Commission, 425 Second Street, N. W., Washington
25, D. C.*

MAY 9, 1952.

List of relevant docket entries

1951

Oct. 24—Plaintiff's complaint filed. Preliminary injunction against defendant filed and entered. Plaintiff's statement in support of motion for preliminary injunction, together with supporting affidavit of Robert J. Sugrue, Esq., filed.

Nov. 21—Answer of defendant to plaintiff's complaint, filed.

Dec. 19—Order on pretrial conference of November 27, 1951, together with pretrial conference Exhibits A, B, C, D, E, F, G, H, I, J, and K and tabulation of salary range of defendant's employees as furnished by counsel for defendant, filed.

1952

Jan. 9—Court's amendment to pretrial order of November 27, 1951, filed.

Feb. 12—Memorandum opinion of the Court filed determining issues on final hearing and directing decree be submitted dismissing plaintiff's complaint and dissolving preliminary injunction heretofore entered October 24, 1951.

- Feb. 14—Final judgment filed and entered finding issues in favor of defendant and against plaintiff, dismissing complaint and dissolving preliminary injunction heretofore entered October 24, 1951.
- Feb. 20—Plaintiff's notice of appeal to the United States Court of Appeals, 8th Circuit, from final judgment entered herein February 14, 1952, filed and copy thereof forthwith transmitted by Clerk to Thomas S. McPheeters, attorney of record for defendant.
- Feb. 20—Motion of plaintiff for restoration of preliminary injunction pending appeal filed and said motion, together with stipulation of parties this day filed, are submitted and said motion denied.
- Mar. 28—Transcript of trial proceedings before the Court December 28, 1951, filed by Official Court Reporter.
- May 12—Plaintiff's statement of points on which it will rely on appeal, filed.

And thereafter the following proceedings were had in said cause in the United States Court of Appeals for the Eighth Circuit, viz:

(Appearance of Roger S. Foster as Counsel for Appellant.)

UNITED STATES COURT OF APPEALS FOR THE EIGHTH
CIRCUIT

No. 14611

SECURITIES AND EXCHANGE COMMISSION, APPELLANT,

vs.

RALSTON PURINA COMPANY, A MISSOURI CORPORATION

The Clerk will enter my appearance as Counsel for the Appellant.

ROGER S. FOSTER,
General Counsel.

(Endorsed): Filed in U. S. Court of Appeals, May 22, 1952.

(Appearance of David Ferber as Counsel for Appellant.)

The Clerk will enter my appearance as Counsel for the Appellant.

DAVID FERBER,
Securities and Exchange Commission.
Washington, 25, D. C.

(Endorsed): Filed in U. S. Court of Appeals, August 11, 1952.

(Appearance of Counsel for Appellee.)

The Clerk will enter our appearance as Counsel for the Appellee.

THOMAS S. MCPHEETERS,
GEORGE W. SIMPKINS,
1630 Boatmen's Bank Building,
St. Louis 2, Missouri.

(Endorsed): Filed in U. S. Court of Appeals, August 7, 1952.

ORDER OF SUBMISSION

September Term, 1952.

Monday, September 15, 1952.

This cause having been called for hearing in its regular order, argument was commenced by Mr. David Ferber, Special Counsel, Securities and Exchange Commission, for appellant, continued by